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Thousands of Labor Party supporters attended a Tel Aviv rally.

Labor Party Seeking Big Margin in Israel

Says Substantial Victory Needed To Dislodge Begin's Coalition

By David K. Shipler

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New York Times Service
JERUSALEM — Strategists of Israel's opposition Labor Party said Sunday that they could not prevent Prime Minister Menachem Begin from forming the next gov-ernment unless Tuesday's election gives their party a substantial vic-tory — at least seven or eight parlientary seats more than Mr. Begin's Likud bloc.

Close results, even with a slim victory by the Labor Party, would enable Mr. Begin to assemble a majority in a coalition with rightist and religious parties, they said.

This would make possible, for the first time in Israel's history, a government led by a party that did not have a plurality. No party has ever won a majority of the 120 seats; every government has been a

The assessment came as the Labor Party, which has run a confused and defensive campaign, orchestrated a strong ending to its race and began to reverse its downward trend in the public-opinion

Even in Survey

Apparently in reaction to violence against Labor supporters, those surveyed by the Modl'in Ezrahi Applied Research Center expressed stronger support of Labor last week than m mid-June. The results, published Sunday in the Jerusalem Post, showed Labor and Likud tied at 42 seats each, compared with a rating of 49 for Likud and 37 for Labor in a survey compiled June 15 to 18.

The latest survey, conducted last week among a representative sam-ple of 1,238 adults, was done before two developments that were

believed to have been a slight help to Labor: a televised debate in which Mr. Begin was seen as hav-ing performed somewhat less well than Labor's candidate for prime minister, Shimon Peres, and Labor's switch of its candidate for defense minister, dropping the dovisb retired general, Haim Bar-Lev, in favor of former Prime Minister Yirchak Rabin, a more popu-

lar hard-liner.

Mr. Rabin's personal feud with
Mr. Peres bad a debihtating effect on the campaign. Likud flooded its advertisements with quotations from Mr. Rabin's memoirs, published in October, 1979, attacking Mr. Peres bitterly and portraying him as unscrupulous and un-

trustworthy. The Peres-Rabin tension, plus friction along other factional lines inside the party, drew the leadership into extended struggles over formulating a slate of candidates and delayed the start of the effective campaign well into May.

By then, Mr. Begin, who was considered politically vulnerable on key issues, had taken command of events, adopting a tough posi-tion over the deployment of Syrian anti-aircraft missiles in Lebanon and using governmental power to ease the impact of high inflation by reducing prices on luxury

There was no vigorous response by Mr. Peres, who is less flamboyant, more inclined to seek consensus and less able to control his party than Mr. Begin, Some Labor Party activists conceded their distress over what they saw as a lackluster performance by Mr. Peres and a failure to keep attention

focused on the perceived weak (Continued on Page 2, Col. 3)

UN Aid to **End War** In Sahara

OAU Asks

NAIROBI — African states have agreed to ask the United Nations a peacekeeping force to help end the five-year desert war between Morocco and Algerian-backed Polisario guerrillas in the

As the four-day summit of the Organization of African Unity drew to a close, delegates of its 50 member states also agreed on Saturday to send an African force to maintain peace in Chad. Chad's president, Goukouni Oueddei, said he would ask Libyan forces to leave his country as soon as the peacekeeping troops were in place.

The United States was condemned four times by name during the meeting for alleged coopera-tion with the white-minority gov-ernment in South Africa. The OAU also criticized Britain and France for allegedly siding with

South Africa.

The organization repeated its calls for the independence of South-West Africa (Namibia). which is ruled by South Africa in defiance of UN appeals for a withdrawal. It reiterated support for a UN plan for elections there and the subsequent writing of a consu-tution. Delegates also called for mandatory sanctions, including an oil embargo, against South Africa and proclaimed their support for the guerrilla war conducted by black nationalists in the territory.

Libya won a victory in the final minutes of the meeting when the heads of state voted to bold next year's OAU session in Tripoli, the Libyan capital. Several countries, led by Nigeria, had protested against holding the next meeting there because of the Libyan presence in Chad.

Peter Onu of Nigeria, the assistant secretary-general of the OAU, said the United Nations would be asked to send a peacekeeping force to supervise a cease-fire and re-ferendum in the Western Sahara. Mr. Onu said an OAU peacekeepng force also would be sent. The resolution marked the first

time the OAU had requested help from the UN to end the Western Sahara war.

UN troops were last in Africa in 1960 — three years before the OAU was founded — when a UN called Zaire, at the request of Patrice Lumumba, then the presi-

Morocco has annexed the mineral-rich Western Sahara, a former Spanish colony, in several stages since 1975. King Hassan II pro-posed to the OAU on Friday that a controlled referendum" be held by the territory's estimated 100,000 inhabitants.

A seven nation committee, formed by the heads of state, is to meet before the end of August to draw up plans for the cease-fire and referendum in collaboration with Morocco, the Polisario Front and Algeria.

In the developments concerning Chad, sources said OAU delegates had promised to help reconstruct the nation's economy. The Libyan leader, Col.

Moamer Qadhafi, sent thousands of troops to Chad last year to help Mr. Goukouni defeat the rebel

(Continued on Page 2, Col. 7)

Iranian Party's Headquarters Bombed

TEHRAN — The Tehran bead-quarters of the elergy-led Islamic Republican Party (IRP), which dominates most of Iran's post-revolutionary establishment, was blown np Sunday night in an ex-plosion that rocked the capital. In-itial reports said that many people were killed and injured.

Scores of ambulances surrounded the building in south Tehran, and one medical attendant said: "Many people have been killed."

A local hospital said several injured persons bad been brought in. Another said it was on full alert.

Reuter Correspondent

A Reuter correspondent at the scene said the two-story building looked badly damaged. But he said it was difficult to assess the full extent of the destruction because of the partial wartime blackout.

A second, smaller explosion damaged the offices of Swissair but it appeared unrelated to the blast at the IRP headquarters.

The blast came after the wounding by a time bomb on Saturday of Seyyed Ali Khamene'i, a leading elergyman and a founding member

of the IRP After the Sunday night explosion, armed members of the Revolutionary Guard, police and thousands of onlookers surrounded the

IRP headquarters. Some foreign correspondents were jostled and pushed away by distraught bystanders and driven to safety by local officials. The corthe upper part of the building was state radio said.

damaged, but the police at the scene described the damage as se-

The other explosion occurred as the offices of Swissair on and shattered the front windows. The airline's local manager said that it appeared to have been caused by a grenade thrown from the street.

A telephone caller told Reuters that the explosion at Swissair was the responsibility of the "June 9 Organization" and said the group, which has not surfaced previously, would pursue operations against the Swiss government all over the

world. The caller did not say why, but a Swiss diplomat said that the attack may have been in retaliation for the arrest in Switzerland of an Armenian accused of trying to kill a Turkish diplomat.

No one claimed responsibility for the attack on Mr. Khamene'i. which wounded the clergyman in

the neck and a lung.

Mr. Khamene'i holds the government license for the Islamic party's daily newspaper, Islamic Republic, and is also the leader of

Friday prayer services in Tehran. Tension has been high in the capital since the dismissal last Monday of President Abolhassan Bani-Sadr, who fought a 17-month

power struggle with the IRP. Mr. Khamene'i, whose title is hojatoleslam (spiritual leader), had strongly denounced Mr. Bani-Sadr in a speech on Saturday before noon prayers at the Abouzar respondents could see only that Mosque in southwest Tehran, the

As Mr. Khamene'i addressed worshipers in the mosque on Saturday, a tape recorder exploded in front of him, apparently wounding him severely.

Surgery on Mr. Khamene'i was successful and he regained consciousness, according to the official Pars news agency. An official at the mosque said that no one else had been hurt in the explosion. Twelve persons were detained after the blast, Pars said. Iran's three-man presidential

council, which took over from Mr. Bani-Sadr, has approved Hossein Mousavi, an architect and publisher, as foreign minister, Pars report-

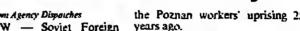
Mr. Mousavi, 40, was nominated by Premier Mohammed Ali Rajai, who is also on the council. The appointment must be anproved by the Majlis (parliament), but his confirmation is considered

The Foreign Ministry is the only vacant post in the government.

Appeal to Resist

LONDON (AP) - An appeal calling on Iranians to resist Moslem fundamentalist "tyranny" in their homeland, purporting to come from Mr. Bani-Sadr, was circulated Friday night among Iranians living in Britain, The Times of

London reported Saturday. It was the first reported statement from Mr. Bani-Sadr, believed to be in hiding in Iran, since he was last seen in public June 12 before his dismissal by Ayatollah



Premier Giovanni Spadolini leaving a Rome meeting Sunday at

which he presented his list of Cabinet ministers to President

Sandro Pertini. Five parties make up the governing coalition.

Gromyko Plans Visit

To Poland in July

WARSAW — Soviet Foreign Minister Andrei A. Gromyko will visit Poland just before the emergency congress of the Polish Com-munist Party scheduled for July 14. Warsaw radio reported Sun-The report gave no reason for

the visit. Western analysts in Moscow speculated it might be aimed at encouraging Polish hard-liners to assert themselves during the congress, which is expected to confirm economic and political re-

"He's likely to go there and lay down the line as to what is acceptable to the Kremlin," a Western diplomat in Moscow said. "He may be carrying new threats with

The announcement came hours after Tadeusz Grabski, a key hardline member of the Polish Politburo, was elected as a delegate to the congress from his home base in Konin, western Poland, according to Polish media.

Some Western analysis believe the Kremlin will intervene militarily in Poland before the congress to stop the Poles from instituting reforms that Moscow believes are inconsistent with Marxism-Leninism. Others have said that what happens at the congress could determine the Kremlin's course of

Mr. Gromyko's planned visit will be the first by a top-ranking Soviet official since Mikhail Suslov, the Kremlin's chief ideologist, met Polish leaders in late April. Mr. Gromyko is not considered a fierce ideologist like Mr. Suslov, but rather a supporter of the status quo and an expert on the

'Provocation' Expected

Of three key hard-line members of the Polish Politburo - Mr. Grabski, Andrzej Zabiński and Stefan Olszowski — only Mr. Olszowski had yet to win a mandate to the congress. But he was expected to win election at the

Warsaw party conference Sunday. On Saturday, Lech Walesa, the leader of Solidarity, warned his union's 10 million members to expect a major "provocation" in the days preceding the congress.

In a surprise appearance at a meeting of Solidarity's Warsaw branch, Mr. Walesa told delegates representing 900,000 regional union members to be on guard and not to respond to provocations designed to discredit the labor move-

"There may be one other very serious provocation before the party congress. We don't know what.
We must be on our guard. We
must be very careful. We won't be
taken in, and watch out — don't be drawn into fistfights," he said.

Change Criticized

The Soviet Union has criticized a sweeping change in party leaders on the local level, saying that many experienced and faithful party authorities were being replaced by inexperienced activists.

Party sources estimate that as many as 80 percent of the delegates to the July congress will be newcomers to the party's leading ranks. This group will evaluate and elect party officials.

In a speech to party members in Konin, Mr. Grabski said that the party was "winning over shortcomings of ideological carelessness and surviving a drama of crisis and dis-

Party officials have blamed many of Poland's problems on "deformations" and "degeneration" of party policy under past

Uprising Commemorated POZNAN, Poland (Reuters) -

Government, church and union leaders were among 150,000 Poles who gathered here Sunday for the first official commemoration of

the Poznan workers' uprising 25

The crowd assembled in the central square where workers, soldiers and police battled each other on June 28, 1956, in the first and bloodiest Polish insurrection under Communist rule. At least 74 persons were killed and about 600 infured in the Poznan fighting.

The monument unveiled Sunday

was a 60-foot (20-meter) doublestaved cross bearing the dates 1956, 1968, 1970, 1976 and 1980 the dates of successive uprisings.

Mr. Walesa addressed the gathering. In a telegram to Archbishop Jerzy Stroba of Poznan, Pope John Paul II expressed his unity with the Poznan workers and said he was praying for those who had

ROME — Premier Giovanni Spadolini, secretary of the small on church-state relations and is recognized as an authority on the The Christian Democrats, being

Republican Party, was sworn in Sunday by President Sandro Pertini as the head of a 27-member coalition government.

Mr. Spadolini, in an interview. called this "the first secular government in the history of the re-public" and said it was "a historic event because it established for the

between the secular and the Catholie forces in the country. The Christian Democrats have headed the government since 1945.

By Henry Tanner

New York Times Service

Coexistence 'Necessary'

"The coexistence between these two forces will be necessary for many years because the Christian Democrats remain the party that has the relative majority. Mr.

Spadolini said.

He added that it was unlikely that the Communists would enter the government during the present five-year term of parliament, which will last until 1984 unless national elections are called.

Mr. Spadolini said that the decision of President Francois Mitterrand of France to include four Communists in his Socialist government had no bearing on ftaly because "the political circumstances in the two countries were profoundly different."

By his comment on "Catholic forces." Mr. Spadolini meant the Christian Democrats, who often call themselves a Catholic party and whose leaders have enterrained close personal and political links with the Italy's Catholic Church and the Vatican.

The secular parties, or what Italians call the "lay parties," are the Socialists, Social Democrats, Liberals and Republicans, of the center and moderate left. In spite of ideological differences, these parties share a tradition of sometimes militant opposition to church influence in the country's political

Mr. Spadolini, as a professor of

history at the University of Florence, wrote several scholarly works

Spadolini Takes Over

As New Italian Premier

by far the largest party in parlia-ment, retained 15 posts in the new Cabinet. The Socialists have seven. the Social Democrats three and the Liberals and Republicans one first time the practice of rotation

Among the key ministries, the Christian Democrats retained foreign affairs, interior, justice and the treasury. The Socialists ob-tained defense and finance, and the Republicans were given budget and economic planning, combined

in a single ministry.

The difficult negotiations on the composition of the government delayed its formation by one day. The Christian Democrats had held out for 15 ministries and in the end their claim was satisfied.

The negotiations were complicated by a fight within the Christian Democrats between the party's present hard-line anti-Communist leadership headed by Flaminio Piecoli and a more moderate wing of party leaders. After per-sonal intervention by President Pertini, who under the constitution has the right to endorse prospective Cabinet ministers, two moderates were moved into key positions — Beniamino Andreatta to the treasury post and Guido Bo-drato to education.

Moderates Succeed

This relative success of moderates within the Christian Democrats is significant because Mr. Spadolini wanted a Cabinet that would enable him to establish better relations with the Communists than had existed under the government of his predecessor, Arnaldo Forlani.

Mr. Spadolini has gone on record as saying he wants to cooperate with the Communists, even though he is opposed to their participation in the government in the oresocable future.

The new government's priority

and the implementation of a comprehensive economic program balancing prices and wages. Mr. Spadolini said he was seeking a social pact" between labor and

He said that the smallness of his own party, which has only 16 of the 630 seats in parliament, was not a weakness but might actually surengthen his hand. Since he is not part of any one of the big rival power blocs, he may be in a better position to conduct negotiations

'Damaged Social Fabric'

among them, he said.

"President Pertini chose the leader of a minority party for the express purpose of trying to restore the damaged social fabric of the country," he said.

One of his first acts after the swearing-in ceremony was to meet with the labor unions. "It is the first time that a new government has held such a meeting on the day of its birth," he said,

By becoming premier, Mr. Spa-dolini succeeded where Ugo La Malfa, the late founder of the Republican Party, had failed in early 1979. At that time the Christian Democrats refused to give up the leadership post. The difference, Mr. Spadolini

explained, was that in 1979 the Christian Democrats felt certain they would win if a new national election were held and they accepted the risk of dissolution of parliament by vetoing Mr. La Malfa. This time, he said, both the Christian Democrats and the Communists were afraid of new elections and did not want to prolong the government crisis.

The threat that President Pertini may decide to dissolve parliament and call new elections if the big parties make it impossible for Mr. Spadolini to govern was seen as one of the new premier's strongest

Mr. Spadolini, 56, a bachelor, was editor of Corriere Della Sera, the Milan daily, before he entered

lose his way if he confuses France

Republic." Decrying Washington's

"open intervention." Le Figaro

said the worry over Communist ministers is small next to concern

over maintaining the international

Among the Authors

that there is no intention to cut France out of Atlantic alliance dis-

cussions. They said the State De-

partment communiqué was basi-

cally rhetorical and added that any

anger Mr. Hartman expressed over

its release while Vice President

Bush was in France talking to the

government had been related sole-

ly to the timing of the commu-

nique, not its content. In fact, they

said. Mr. Hartman bad an import-

ant hand in drafting the statement. Discussing Mr. Hartman's re-

maining here, the sources ex-plained that a decision had been

made to designate a prominent businessman as U.S. ambassador to France but that this plan had

been abandoned, or at least post-

ambassador who has had a long session alone with Mr. Mitterrand.

before the runoffs of the parlia-

mentary elections confirmed the

Socialist Party's absolute majority and before the Communist minis-

with the previous government of President Valery Giscard d'Esta-

ing, and his embassy is known to

have badly misjudged the French

Mr. Hartman was identified

Mr. Hartman is the only foreign

poned, after developments here.

fnformed U.S. sources insisted

balance of power.

U.S. Delays Shift of Paris Envoy to Moscow

By Ronald Koven

Washington Post Service PARIS - The U.S. government has decided to delay the planned transfer of Ambassador Arthur A Hartman to Moscow, according to authoritative sources here, following the naming of four Communist ministers to the French Cabinet.

The sources said that Mr. Hartman, a career diplomat who has been here since June, 1977, would remain in Paris for up to six months because the Reagan administration has recognized the need to have an ambassador who is familiar with the French scene.

The expectation is that the Moscow post will be kept open for Mr. Hartman. Letting the ambassadorship go unfilled for a relatively long period, the sources said, also sends the Soviet Union the message that as far as the Reagan admunistration is concerned, the Russians are not behaving well enough for Washington to bave much to say to them.

Sound and Fury

The news about Ambassador Hartman comes amid accusations in France that the United States is mixing in French affairs and trying to dictate its will to President Francois Mitterrand. Cited as evidence are official U.S. statements that having Communists in the French Cabinet for the first time since 1947 will inevitably alter the "tone and content" of French-U.S.

relations. The State Department comment has created a kind of "sacred unton" around Mr. Mitterrand. For example, Pierre Messmer. a widely respected Gaullist who has served as prime minister and defeuse min-



Arthur A. Hartman

ister, called the State Department "totally unacceptable," phruse that was repeated by For-eign Minister Claude Cheysson.

"As a Gaullist," said Mr.
Messmer, a leader of the opposi-

tion in the National Assembly, "I cannot accept the commentaries of any foreign country on the compo-sition of a government in France."

Mr. Cheysson complained that the U.S. action had given "our So-viet friends" a chance to depict themselves, by objecting as "the defenders of noninterference in the freedom of expression of peoples." He suggested that someone in the Kremlin should send a thank-you

note to Washington for its services. Mr. Mitterrand himself reacted angrily late Friday while speaking

to reporters who accompanied him textorate," said the Communist pain his old parliamentary district on a pilgrimage to the graves of villag-Le Figaro said, "Mr. Reagan will a pilgrimage to the graves of villag-"The American reaction is their with El Salvador or the Dominican

business," he said. "The decision is

mine. The more the decisions of

France are free, the more France will be respected." He said he would not be any more concerned about foreign reaction in the future than he was in this case. "People have written that Reagan is angry. So what? If Reagan sneezes, so what? I'm not going to stand at attention," Mr.

Mitterrand continued. France and the United States. he said, have common interests that are not at the mercy of pass-ing events. "The Americans are far away, and they don't understand our developments," be added. "All

this is a momentary mood." He said be understood "very well" U.S. concerns about the spread of Communist respectability in Western Europe. "But I'd like for them to understand me as well as I understand them," be added.

"It is obvious," Mr. Mitterrand continued, "that the Communist Party has goals that are different from mine, but the Communist ministers are not there to carry out their party's goals ... I don't want to surrender to specters. Those who voted for me are Frenchmen like the rest. Must I give in to historical antagonisms? ... I want to make history by moving forward."

The French press bas been reacting even more angrily than the government to U.S. statements. The pro-Socialist newspaper Liber-auon headlined, "Mitterrand to Reagan: Do You Know Whom You're Talking To?"

"France is not an American pro-

Haig Still Concerned on French Cabinet

By Fred Farris International Herald Tribune

WASHINGTON - Secretary of State Alexander M. Haig Jr. on Sunday underscored the U.S. concern at the appointment of four Communists to the French Cabinel, saying "we make no excuses or no bones" about it.

Although Mr. Haig said it was important that "we also recognize that this is an internal French matter and it's up to the French people to decide the composition of their government," be said that it had been "the consistent policy" of the U.S. government since World War Il to voice its concern about Communists in allied Western govern-

"We make no excuses or no bones about our concern. Why? ft's simply a fact of life that Communist regimes, whether they are closely affiliated with Moscow or not, pursue policies which are not consistent with those of the Westem family of nations," Mr. Haig

said in television interview. Asked what good it did to make

public U.S. unhappiness. Mr. Haig replied, "It does a great deal of good. You will recall it in the Italian situation some two or three from talks in Peking, where a U.S. years ago, and it is very important for that reason that all of our Western European partners faced with the same decisions [as France] know that these decisions are not favorably viewed here in Washing-

There had been some apparent difference of emphasis last week in the U.S. view of the French action. But Mr. Haig emphasized that there was no difference ol opinion in Washington, and that every statement "was cleared and dis- ut reducing the growth of strategic cussed with the president personal-

On another topic, Mr. Haig, responding to sharp Soviet criticism.

said the United States could not permit the Soviet Union to dictate Washington's relationship with The problem of China must be

advisable for the United States to

conduct its relationships with a bil- postponement.

agreement to sell military equipment to China was announced, said he hoped the Russians would not consider the developing U.S.

Peking relations "provocative."
He also made these points:

The United States will continue to meet its obligations to Taiwan, including providing arms for defensive purposes, while it im-proves relations with China.

• The administration is considering the possibility of talks aimed armaments with the Soviet Union sometime next year. The administration is vielding

to requests from a majority of the Senate to delay further the submission of the proposed Saudi arms package, which includes five of the sophisticated radar planes known as AWACS (Airborne Warning dealt with in its own terms," he and Control System). It had said. "I do not believe it would be planned to send the package to Congress in July after an earlier

INSIDE

ters were named.

China-India Talks After three days of talks in New Delhi, India and China

pledge to try to normalize their long-strained relations and agree to negotiate an early end to their 20-year border dispute. Page 5.

Budget Victory

The House of Representatives. after a tumultuous debate, gives President Reagan his second successive victory on his economic program by adopting a Republican package of far-reaching budget euts opposed by the Democratic leadership, Page 3.

Focus on Greece

As national elections ap proach in Greece, the IHT presents a special supplement on the country. Page 7S.

Depth of Israel's Sephardic-Ashkenazi Split Revealed in 'Black-White' Tone of Election

By Don Schanche

Los Angeles Times Service JERUSALEM - "I'm afraid this election boils down to a standoff between we of the white intelligentsia and the blacks," said the European-born wife of a prominent member of this city's estab-

And a Moroccan-born Jewish taxi driver in Tel Aviv complained, We are the niggers of Israel."

Their remarks, seemingly more appropriate to South Africa than to a country widely perceived as homogenous and idealistic, reflect long-standing ethnic divisions. which have emerged more sharply in the current Israeli election campaign than at any time in the young country's history, according to social scientists and other commentators here.

The division — openly discussed in terms of white-vs.-black by

U.S. Plan to Arm China

many Israelis — already has had a The split among Israel's 3.2 milsignificant effect on the campaign and may prove crucial when Isra- than in past Israeli elections, is not el's roughly 2.5 million voters go to the polis Tuesday to select a new Knesset (parliament).

"People of Asian and African descent will vote in great oumbers for the Likud," the ruling bloc of Prime Minister Menachem Begin, said Hanoch Smith, Israel's leading pollster.

Conversely, in the words of the self-described "white intellectual" woman from Jerusalem, "The heavy innuendo of the campaign, both sides playing on ethnic fear, will frighten many of us into voting for the Labor Parry alliance
even though we might dislike [Labor leader Shimon] Peres and prefer one of the smaller left or right

Population Shift Now the Sephardic Jews out-number the Ashkenazis: 45.2 per-

By John F. Burns New York Times Service MOSCOW - In its most authoritative comment yet on the U.S. decision to sell arms to China, Pravda described the move as "an escalation of reckless policy" that was "highly dangerous for the

"The Soviet Union cannot remain indifferent to the new, dan-gerous turn in Sino-American relations, especially to the plans of supplying China with modern American weapons, military equipment and technology," the Soviet Communist Party newspaper said

"These actions by Washington and Peking can only be assessed as hostile toward our country," the Pravda article said. "The Soviet Union will take such measures that will be dictated by the emerging situation. Nobody should doubt that the Soviet people, who bave good nerves and powerful means of curbing aggression, will not yield to provocations and will be able to stand up for themselves, to defend the interests of their friends

The article appeared at length on an inside page of Pravda devoted to foreign affairs, but its significance arose from the fact that it was attributed to "I. Alexandrov." a rarely used pseudonym that generally authenticates a commentary as reflecting authoritative Kremlin

Previous reaction to U.S. Secretary of State Alexander M. Haig Jr.'s visit to Peking earlier this month had been mostly in the form of commentaries by Tass. The U.S. decision to sell lethal arms to China was announced during Mr. Haig's visit.

The article dismissed the reservations expressed by U.S. officials, sales to Peking will be assessed on

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'Dangerous,' Pravda Says a case-by-case basis and within

a case-by-case basis and witum statutory restraints, such as the one forbidding the use of U.S. weapons for offensive purposes. Pravda, saying that "the State Department avoids calling things their names," said that Mr. Haig's announcement opened the way for Peking to buy guidance systems for strategic missiles, mili-tary communications equipment "all types of combat equipment, from anti-tank missiles to fighter-bombers."

The article said that the hallmark of Mr. Haig's talks with the Chinese leader, Deng Xiaoping, and others was hostility to the Soviet Union, with the emphasis on broadening the military aspects of the relationship between China and the United States. "It can be said that Haig was on a mission in Peking as a general in civilian uni-form," it said.

The article went on to give Soviet readers the first full account of the arrangement between Wash-ington and Peking under which the two nations maintain joint electronic intelligence-gathering sta-tions in western China close to the Soviet border.

Officials io Washington, who disclosed the existence of the facilities while Mr. Haig was in Peking, said that the stations had been opened last year for the purpose of monitoring Soviet missile tests from two sites in the southern part of the Soviet Union in which rockets are launched across Siberia.

The Pravda article, however, offered no comment on the missile-monitoring agreement. Western diplomats here have suggested that the Soviet leaders may have decided not to make a major issue out of the missile surveillance because they bave similar monitoring facili-Cuba and aboard Soviet

By contrast, the article used unusually strong language in assessing the prospective arms sales. It said that the Reagan administra-tion hoped to channel China's "expansionism" against the Soviet Union, but predicted that the arms would be used against Peking's neighbors to the south and southeast, including. Vietnam, Cambodia and Afghanistan, as well as against U.S. allies in the region.

2 Escape U.S. Jet Crash

The Associated Press
MANILA — A U.S. Navy F-14 jet fighter from the aircraft carrier Kitty Hawk crashed into the Indian Ocean, but its two crewmen ejected safely and were recovered unhurt, the Navy said Sunday.

African Jews, particularly the Molion Jews, while more pronounced

two separate and unequal com-

munities: Ashkenazi Jews of large-

ly European and North American

origin, and Sephardie or "Orien-

tal" Jews, mostly from North Africa and the Middle East.

The generally light-skinned Ash-kenazi Jews, whose fathers led the

Zionist movement that gave birth to modern Israel, were first on the

scene, leading the battle for Isra-

el's independence in 1948 and then

taking the reins of political and

cent of Israelis are Sepbardic,

cording to 1980 estimates, and 4t.5

percent are Ashkenazi; and there

are Sephardie as well as Ashkenazi

Jews on every major political par-ty's list of candidates.

dic Jews, most of whom trace their

ancestry to the Jews expelled from Spain in 1492, have been Israel's slum-dwellers. "Most belong to the

lower classes. They make up the

majority in the jails and a tiny mi-nority in the universities," said Viki Shiran, a spokeswoman of the small and almost exclusively

Sephardic Tami Party, which re-cently split from the National Re-

ligious Party, which backs Mr. Be-

But Ami Gluska, a spokesman

for Israeli President Yitzhak Na-

von, who is of Moroccan ancestry,

pointed out that Sephardic Jews

from Iraq and some other Middle

Eastern countries had progressed

more rapidly and fared better so-

cially and politically than North

From the beginning, the Shepar-

Mr. Ghuska explained that the new. Sociologists and others here have long decried the division of Moroccans had started out in Israel with two strikes against them --Israel, soon after its founding, into not only that their illiteracy and tribal cultures had ill-prepared them for a modern society, but also that they arrived essentially leaderless, as "the edite of the Moroccan Jews either stayed in Morocco or established themselves in France.

> He said that it had been only recently that a new generation of young leaders, "anxious, and rightly so, to find its rightful place in the higher strata of Israeli society." had emerged.

> > Greatest Irony

By the mid-1950s, however, hun-The effect of the so-called "ethdreds of thousands of darker-skinned Jews, most of them unedu-cated and bound in tribal ways nie issue" on the election campaign is not without its paradoxes. The greatest irony is that Mr. Begin. a Polish Ashkenazi Jew and cultures alien to the European Jews, were either forced or encourwith no Sephardie connections, has become what Uri Avneri, a aged to emigrate to Israel from Moroeco (300,000). Yemen (49,000), Tunisia (38,000), Libya (37,000), Egypt (31,000), and other prominent leftist editor and former Knesset member, has called "the top cult symbol of the Sephardic

> "How is it possible," Mr. Avneri wrote in his weekly newspaper, Haolam Hazeh, that Mr. Begin "is the leader of the Moroccans?

The reason, according to Aharon Megged, a columnist for the newspaper Davar, is "hate for the establishment, the veteran Ashkenazi establishment with its culture, its beantiful people ... The establishment is embodied in the person of Shimon Peres ... while Begin — [although] also a veteran Ashkenazi - is the embodiment of the anti-establishment."

Mr. Megged, who leans more toward Mr. Peres than Mr. Begin, said that Mr. Begin's "contempt for the whole world and for the facts and the truths, his mockery. his threats, his bloated pride, his boasting in terms of strength, his appeal not to reason but to instinct, his macho appeal - be speaks the language of the mob, and the mob understands him."

Like racial code words in the United States, Mr. Megged's use of the term "mob" struck a chord among his readers. To most of

Labor Predicts Close Vote Would Not Dislodge Begin

(Continued from Page 1) points of the Begin government, particularly its handling of the

economy. made it difficult for Mr. Peres to take clear positions, an adviser said. The party's policy committee, split within itself, reached com-

Thus, for example, a political adviser's recommendation that La-Lebanon was rejected in favor of an ambiguous stance favoring both negotiations and resoluteness, which gave Mr. Begin the latitude

to play the issue to his advantage. When Israel bombed an Iraqi nuclear reactor June 7, Mr. Peres reportedly wanted to criticize Mr. Begin strongly, but the party's policy committee was understood to have voted him down, sensing that the raid was popular with the pub-

The result was an awkward position, in which Mr. Peres first praised the pilots, then questioned the timing of the raid, and finally suggested that diplomatie efforts might have been pursued with the new government of France, which was building the reactor. An impression of vacillation and uncertainty was created, and Mr. Begin

attacked Labor for sabotaging Is-rael's efforts to persuade the world that its position was just.

on every single issue," a political professional said of Labor's lead-"where they could have

set," said Chaim Herzog, a former ambassador to the United Nations and head of Labor's information bor criticize Mr. Begin for oot re- efforts, "but we regained our bal-

night in Tel Aviv, drew a crowd estimated by party officials at be-tween 150,000 and 200,000 and ineluded many kibbutz residents

hurling tomatoes and eggs and jeering speakers off the platform, smashing windows in party offices and vandalizing cars with pro-La-

out of the violence got the silent majority worked up, "Mr. Herzog said. "We got people calling in reminding us of what happened in Europe. One lady said this reminded her of the Brownshirts, and we recorded her and put her on the

bor gain will be enough for a sebor to find a majority among other smaller parties on the left, he explained. Mr. Herzog agreed with the assessment, as did other Labor advisers and independent political

would prefer Likud as a partner, tion on the Sabbath and religiously eight or nine seats.

Under Likud, it has gained influence. Its chairman, Yosef Burg, the interior minister, has served as head of Israel's delegation in the negotiations with Egypt and the Unittd States on self-administration for Palestinians on the West Bank of the Jordan River and in the Gaza Strip. The head of its more activist faction, Zevulun Hammer, has been education min-



Doctor Says Russians Hold Barely 10% of Afghanistan

By Raymond H. Anderson

New York Times Service
NEW YORK --- Soviet occupation troops in Afghanistan control no more than 10 percent of the country and are limited mainly to search-and-destroy operations from isolated strongholds and outposts, according to a West Europe-an physician who bas traveled widely through insurgent areas.

The doctor, on a visit to the United States, said in an interview that a year and a half after their intervention in Afghanistan, the Soviet troops were resorting to trying to cut off food, medicine and other supplies to suppress re-sistance by the mijahaddin. or Islamie rebels, against Soviet troops and the Marxist govern-ment in Kabul.

The Soviet intent, he said, is to force the Afghans, who are scattered across the barren country or living in virtually maccessible mountain valleys, to resettle in cities or refugee centers where they can be more closely controlled.

This strategy is meeting some success, leading to maintrition in some areas and subsequent resettlement, said the doctor, who asked that his identity and that of his West European medical organization not be divulged.

"It is widely known by Afghans that we are there, and the Russians certainly know it, too, but they do not interfere," he said. "We must be careful, however, oot to jeopardize our ability to move freely across the frontier.

Countryside Controlled

Contrary to news reports, he said, the insurgents do not find it necessary to hide during the day. Resistance vehicles travel along the roads in daylight without challenge, and the mujahaddin are in control of the countryside to within t2 miles [19 kilometers] of Ka-

One of dozens of photographs taken by a colleague showed rebels dug into emplacements overlooking Soviet strongholds only a few miles away. Others showed dozens of destroyed tanks, armored vehi-cles, helicopters and a variety of captured weapons.

Although news reports from outside Afghanistan give accounts of fierce fighting, major offensives and high death tolls, the doctor said casualties in the conflict had been "very, very low."

"We took in an entire surgical hospital to tend the mujaha

wounded," he said. "But there has been little for it to do because there are so few wounded.

The insurgents, alerted by sup-porters in Soviet-controlled areas or by the roar of advancing armor, which is audible for miles, are able to evade Soviet forces, be said. Soviet belicopter gunships also have little success, he added, because the gray and brown garb of the insurgents makes them largely undetectable in the mountains from only a few bundred yards away.

300 Destroyed Tanks

The European medical group sent its first team of doctors into Afghanistan about a year ago and now has seven teams there, each consisting of a man and a woman. Another team is about to enter the country.

The doctor said that the teams

had counted 300 destroyed Soviet tanks in their travels and believed that the total was well over a thousand. The rebels strip the tanks and armored vehicles of guns and equipment for their own use. The fate of any Soviet crewmen taken alive is usually "summary execu-tion." the doctor added. The tactics of the lightly armed

rebels are innovative, he said. They dig deep trenches across narrow mountain dirt roads and cover them. The lead tank falls in, blocking the road. The mujahaddin run to the other tanks and smear mud over the slits so the crews are blinded. Then they destroy the tanks with gasoline.

The doctor said Soviet armored columns occasionally penetrated to isolated villages but seldom en-countered any inhabitants, who flee into the mountains. He said the troops destroyed food supplies

5 Hurt in Clash In Nuremberg

International Squatters' Festival" during the weekend vandalized local streets and fought with police. Five persons, two of them police-men, were injured in the fighting,

demonstration after an outdoor concert Saturday night at the gathering of squatters from West Germany and other West European countries, police said.

WORLD NEWS BRIEFS

70 Reported Dead in Soviet Georgian Wreck United Press Interna

MOSCOW -- Seventy persons were killed and more than 100 injured in a train crash near a Black Sea resort in Soviet Georgia, a report reaching Moscow said Sunday. There was no official confirmation. The collision, between an express and a local train last week, blocked the main line between the Georgian capital of Tbilisi and the north,

Their reports said railroad traffic was stopped for several hours at the crash site near Gagra, a Black Sea coastal resort popular with summer vacationers.

Sentencing Tuesday in 9 Nazi Guards' Trial The Associated Press

DUESSELDORF — Nine former concentration-camp guards accused in the murder of more than 100,000 prisoners during World War II are scheduled for sentencing Tuesday as West Germany's longest war crimes trial nears a close. The trial began Nov. 26, 1975:

The prosecution seeks life prison terms for five defendants, lesser terms for three and acquittal for one defendant. Defense attorneys have asked acquittal for all nine former guards at the Majdanek concentration Anticipating the one acquittal at least, authorities have ordered strict

security around the courtroom to contain protests. Anti-Nazi demonstrators raised an uproar in 1979 when four of the original 15 defendants were released for lack of evidence.

Brandt to Discuss Arms Talks in Moscow

BONN — Former Chancellor Willy Brandt said Sunday, on the eve of a visit to Moscow, that he would press West Germany's interests in East-West talks on curbing nuclear arms and tell Soviet leaders that he is sure

the United States genuinely seeks arms negotiations.

Mr. Brandt, who is going to Moscow on Monday as the guest of President Leonid I. Brezhnev, said in a radio interview that West Germany hoped it would be possible to create conditions that would make it cessary to station new U.S. missiles in Europe.

He criticized U.S. disarmament negotiator Engene V. Rostow's statement that the United States could not start talks on limiting intercontinental weapons before next spring. Mr. Brandt also said that he was not going to Moscow as a negotiator but with hopes to gain insight into how the Soviet Union views prospects for arms talks.

2 Irish Opposition Parties Bid for Coalition

DUBLIN — The Irish Republic's two main opposition parties. Fine Gael and Labor, have decided to seek power as a coalition when the Dail (parliament) meets on Tuesday to elect a new premier, party officials said Sunday.

Commentators said the proposal adopted by a Labor Party conference Sunday after 10 days of talks between the two parties, made it likely that the next premier would be Garret FitzGerald, the Fine Gael leader. Premier Charles Haughey, whose Fianna Fail party lost control of the Dail in the June 11 general election, plans to try to form a minority rament backed by independents.

In Belfast on Sanrday, a gunman slipped past Royal Victoria Hospital guards into an intensive-care cardiac unit, fired several shots at a soldier on duty in the ward and escaped. Police said no one was hurt. The Irish National Liberation Army, a splinter group of the Irish Republican Army, claimed responsibility.

Pope's Taped Message Broadcast at Vatican The Associated Press

VATICAN CITY — Pope John Paul II spoke of his illness Sunday in a taped message beamed by Vatican Radio over loudspeakers in St. Peter's Square. He thanked those who have offered support "in consideration of

Sounding stronger than in a similar broadcast a week ago, the pontiff issued an appeal for peace in Lebanon. The eight-minute talk included greetings in Polish to the pope's countrymen.

The message was taped at the pope's room in the Gemelli hospital, where he is suffering from a virus that has slowed his recovery from gunshot wounds received in an attempt on his life on May 13. Doctors said Saturday it may be three weeks before the pope can be released

OAU to Ask for UN Force To Help End Sabara War

(Continued from Page 1)

leader. Hissene Habre, a former pared to contribute. premier. The Libyans have remained in Chad, and Mr. Habre's guerrillas, backed by Sudan, are continuing raids in eastern Chad.

The departure of the Libyans would remove one of the bitterest issues before the OAU. Moderate: states have accused Col Qadhafi of trying to annex Chad.

No date was set for the arrival of the OAU units in Chad. But Mr. Goukouni said at a news conference that if the force reached Chad within a month or two, he would promptly ask the Libyans to leave and thank them for their

The peacekeeping proposal is es-sentially the same as a previous OAU plan in Chad that did not get off the ground because of a lack of money. Libya moved in after OAU troops failed to arrive, and it caused anxiety among neighboring countries who suspected Col. Qadhafi of expansionist policies.

The difference this time is that Nigeria has agreed to help finance the OAU troops. The Nigerian foreign minister, Ishaya Andu, esti-mated the cost of a Chad peace-

keeping mission at \$100 million or more, and he said Nigeria was pre-

Mr. Onu, the assistant secretary general, said the 55 resolutions on continental and world issues had been approved at the meeting. They included a condemnation of Israel's raid against the Iraqi nu-clear plant on June 7 and what the OAU said were Israel's expansion-

ist policies.
But the resolution did not specifically condemn Egypt for its peace agreement with Israel Egypt is a member of the OAU.

The meeting also approved formation of an OAU African defense force, a political security council to strengthen the body's decision-making powers and a commission to investigate boundary disputes.

Morocco-Mauritania Ties

ЛDDA (Reuters) — Morocco and Mauritania decided Sunday to settle their differences over the Western Sahara issue and to resume diplomatic relations, the offi-cial Saudi Press Agency said. The agency gave no other de-tails, but Arab diplomatic sources

said the two sides had agreed on the broad outlines of a settlement. King Hassan II of Morocco and President Mohammed Khouna Ould Haidalla of Mauritania met at the Saudi resort city of At Ta'if shortly after arriving from the OAU summit. Mauritania broke off diplomatic relations with Mauricco after recusions is found. Morocco after accusing it of sup-porting a coup against Col. Hai-dalla's government in March.

Ban on Whaling Urged by Group

United Press International
GLAND, Switzerland — The
World Wildlife Fund has called for au immediate global ban on commercial whaling in an effort to save several species of the giant mammals from extinction. Citing the Soviet Union and Ja-

pan as the worst offenders, the group asserted Friday that the London-based International Whaling Commission was unable to en-force controls on whale hunting. "A handful of selfish nations are presently depriving the bulk of the world's countries and peoples of a valuable resource about which we

know so little," a spokesman said. Although exact figures of whale populations are unavailable, the spokesman said the sperm, fin, sei and humpback whales are so rare that for one whale just to find another of its kind is practically a

Boat Crew Dies in Sicily

MAZZARA DEL VALLO, Sicily The entire crew of seven abound the 47-ton Italian fishing boat Ben Hur died when the vessel sank off Pantelleria Island, southwest of this port, authorities reported Saturday.

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moved to the offensive." promises that appeared ambigu-

Labor's last rally, on Saturday

The turning point. Mr. Herzog said, came when Begin supporters started breaking up Labor rallies.

In addition, the National Religious Party has grown more hawkish, including elements that support contioued Jewish settlement in the occupied West Bank.

They've moved to the defensive

"I think there were many mis-takes in our campaign at the out-

brought by bus. Mr. Peres, Mr. Rabin and Gen. Bar-Lev raised their hands in a three-way bandshake, and the crowd roared approvai.

bor bumper stickers. On Saturday night, according to the police, an office of the "Any-

thing But Likud" movement - an amalgam of Labor and leftist parties - was set on fire while a 17year-old guard was asleep inside. He awoke and called the police. Bomb scares were reported Sunday at both Labor and Likud head-

"I think that the fear running

cure victory is far from certain.

Aharon Harel, the party's campaign manager, said that Labor needed seven to 10 seats more than the Likud bloc. With less of a lead, it would probably be hard for Labor to find a manager.

journalists.
The calculation is based on the assumption that the National Re-ligious Party, which has been part of every government, including 29 years in Labor-led coalitions, The party's main platform is to maintain orthodox observance, including a halt in public transportaoriented social legislation. It has won 10 to 12 seats in the past, and is shown in the surveys as winning

ister, something Labor officials say they will not allow.

compound twice a day.
Four Americans and five Cana-

and buildings and then withdrew.

The Associated Press
NUREMBERG — Youths at an

according to police reports.

More than 600 youths staged a

Siberian Pentecostalists Begin 4th Year But whether the last-minute La- In Basement of U.S. Embassy in Moscow

MOSCOW - Seven Pentecostalists from Siberia have begun their fourth year in refuge in the U.S. Embassy in Moscow, with no sign that the Soviet government will permit them to emigrate.
"The situation remains stalemat-

The Soviets continue to insist that the Pentecostalists return to Chernogorsk before their application for emigration will be reviewed." Chernogorsk is the remote Siberian home of the seven Protestant sect members - Pyotr Vashchenko, 54; his wife, Augusta, 51; their daughters, Lidiya, 28; Lyu-

i," a U.S. diptomaı said Friday.

Chmykalov, 68, and ber son Timo-fei, 18. They pushed past Soviet police guards into the embassy com-pound on June 27, 1978, in a bid to emigrate to the West. Describing themselves as victims of religious persecution, the seven were granted "humanitarian refuge" in the embassy and have lived ever since in a one-room basement

Studying English

The Pentecostalists spend much of their time studying English, praying, and working on handi-crafts. They are also allowed to do odd jobs on the embassy grounds, including caring for embassy children and unloading trucks, and are permitted to take walks around the

dians who arrived in London last week after being allowed to visit

the Pentecostalists reported that the refugees were losing beart.

"They're beginning to lose bope after three years in one room," said the Rev. Ray Barnett, who organized the group. "They're asking the American people not to forget them in that embassy, which they call their embassy tomb."

The North Americans carried a

According to Western sources, there are about 500,000 Pentocostalists in the Soviet Union, half of them registered with the Official Council for Religious Affairs and the other half practicing their religion illegally. About 30,000 have applied to emigrate to the West, but only a handful have been counted stitutes the support of the street of the support of the street of the support of t petition, signed by thousands of but only a handful have been Britons, that they planned to deliv-



The Vashchenko family, five of the seven Pentacostalists in refuge at the U.S. Embassy in Moscow, in a recent photograph.

By Martin Tolchin New York Times Service

WASHINGTON — The House of Representatives, after a tumul-tuous debate, has given President Reagan his second successive victory on his economic program by adopting a Republican package of far-reaching spending cuts op-posed by the Democratic leader-

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A coalition of Republicans and conservative Democrats again wrested control of the House from the Democratic leadership and prevailed in a 217-211 vote Friday night. A total of 28 Democrats supported the Republican package, while two Republicans voted with the Democrats.

Reps. Claudine Schneider of Charles F. with the Democrats. They were

Dougherty of Pennsylvania. The vote represented a historic turning point in the direction of government, whereby a conservative president and the most con-

repealed and modified much of the social legislation of Franklin D. Roosevelt's New Deal and Lyndon B. Johnson's Great Society.

The bill, which now goes to a Senate-House conference, is similar to the one adopted Thursday night by the Republican-controlled Senate and means that Mr. Reagan has now achieved the basic spending cuts that he sought. The question is whether the same coalition will also give him a victory on his tax package, which is scheduled to be considered by Congress in July.

"This was a tremendous victory, and I think you'll see more of the same, even beyond economic issues," said Rep. Delbert L. Latta, Republican of Ohio, a co-sponsor of the Republican package. "This isn't the end. Unless the Democratic Party wakes up and takes a turn to the right, there'll be a lot

The House speaker, Rep. Thomas P. O'Neill Jr., at least for the moment has lost effective control servative Congress in 25 years have over the body. The Massachusetts

Moon Is Suspected in U.S. Of Immigration Violations

By Robert Pear

New York Times Service WASHINGTON — Immigra-tion authorities say the Rev. Sun Myung Moon and many of his followers have apparently violated immigration rules by coming to the United States on visitors' visas when they actually intended to

A Justice Department official said Friday that the government would probably begin deportation proceedings this summer against Mr. Moon, the founder of the Unification Church, on the basis of an investigation suggesting that he and his wife had violated immigration rules.

In addition, the Immigration and Naturalization Service contends that many church members are in the country unlawfully be-cause they have remained beyond their authorized periods of stay.

David Carliner, an immigration lawyer who represents Mr. Moon, said that the service had been investigating the Korean-born evangelist and other church members since the early 1970s, Mr. Carliner said that he thought the investigation had "petered out several years ago" and that he knew of no immediate plans for deportation pro-

In New York, Mose Durst, the president of the church, issued a statement saying that reports about imminent deportation proceedings were "part of an orches-trated attempt to assassinate the character of Reverend Moon, discredit the church and defame its

members." The Justice Department official insisted on speaking anonymously because, he said, "eleventh-hour developments might persuade the government" to change its plans. Another official, David W. Crosland, general counsel for the immigration service, confirmed the existence of the investigation, but would not say whether deportation efforts were likely or unlikely.

Mr. Crosland said that Mr. Moon had become a permanent resident alien in 1973. Mr. Moon entered the United States on a visitor's visa in 1972, according to an FBI report, copies of which were released Friday by the church.

A congressional subcommittee that investigated Korean-American relations in 1977-78 said that



Rev. Sun Myung Moon

permanent resident status on the basis of his wife's having established residence earlier. "She in turn achieved her status by being listed as an employee of the Korean Cultural and Freedom Foundation, which was controlled and used by the Moon organization." the report said.

The report said that the Moon organization exploited or ignored U.S. immigration laws so that church members could come to the United States, raise funds and "move large amounts of cash across international boundaries." The report alleged that these activities circumvented or violated currency restrictions.

If immigration service officials decide to move against Mr. Moon, the process will probably take a long time. After the initial proceeding before an immigration judge, Mr. Moon, like any other alien, could ask for review by the Board of Immigration Appeals, the U.S. Court of Appeals and the Supreme Court.

The immigration service has prevailed in the Court of Appeals in at least two cases where it took action against members of the church. The commissioner of immigration had argued that aliens brought to the United States for missionary training were being used instead to solicit funds for the

church. Mr. Carliner, who is the author Democrat walked off the floor in silence Friday night, retreating to his office without stopping to answer attestions.

The package of \$38.2 billion in spending cuts was \$600 million more than the \$37.6-billion package recommended by the Democratic-controlled House committees, but the administration contended that many of those committees' cuts were illusory. counterproductive and unnecessar-

The Republican plan focused on changes in eligibitity and benefits in social programs long supported by Democrats, including Social Security, food stamps, guaranteed student loans, child nutrition, Medicaid and cost-of-living increases for federal retirees.

The full impact of those curtailments on the growth of these social programs will be felt in future years, but Republicans estimated that those changes alone would bring savings of \$45 billion through fiscal 1984.

Mr. Reagan praised the action and said that adoption of the Re-

publican measure was "absolutely essential in order to meet our spending targets next year and bal-ance the budget by 1984."

New Restraints Needed

There will be a need for additional spending restraints in the futhe president said. "But without this vote today, we would have faced more than \$20 billion in additional deficits over the next

The Republicans also restored funds to the Export-Import Bank that were set for elimination under the Democratic package. Their plan also consolidated scores of specific, categorical programs into block grants whose priorities

would be set by the states.

Rep. O'Neill bad told reporters

Friday morning, "We'll be spending everything we possibly have to
defeat this package." He exceriated the 29 Democrats who voted Thursday for a parliamentary procedure that enabled the Republicans to present their bill as a single entity, "In decency, some of those fellows should resign from the Democratic caucus," the speaker

But although the executive committee of the Democratic Study Group met to consider expelling the defecting Democrats or stripping them of their committee seniority, the consensus was that the Democratic leadership was powerless to discipline the defec-

"Secret' Passages

The hastily written Republican package, completed late Thursday night and not made available until Friday afternoon, contained some passages that were unknown to some senior Republican legisla-

Democrats sought to exploit what Rep. O'Neill called "the hid-den agenda" of the Republican package, especially a provision that gave the Office of Management and Budget the power to define poverty — a key factor in the disbursement of federal anti-poverty funds

"Let me disclose to you one or two sneaky provisions," Rep. James C. Wright Jr., Democrat of Texas, told the House. "Did any of you address, were any of you told, was any hint given any member of this House that this bill would grant to Mr. Stockman the power to determine the poverty levels, the power to demolish the programs so carefully constructed by the Con-

Republicans countered that their bill caused no change in the current power to define poverty that is vested in the Office of Management and Budget, headed by David A. Stockman.

homes for a large construction company. Jimmy Carter, who attended the auction, said "I won't miss Plains at all," he said, calling it "a afterward, "I bate to see him go, but he has a fine sad day and a good day. Some people will be glad position in Alabama.

these agencies are now in very se-

the House Science and Technology

Committee and the man who had

responsibility for the action, ac-

budgets were cut for political rea-

sons. "There is \$127 million in the

National Science Foundation

he said. "We wanted a chance to

Special Consideration

not possible when the budgets are

that the "Democrats made such a

big deal of it," and so was James

Hedlund, Republican staff direc-

included as part of a bigger bill.

That kind of consideration is

Mr. Jenks said he was surprised

budget above the Reagan request,

make an amendment to that."

Gerald Jenks, staff director of

vere jeopardy.

By Philip J. Hilts

Washington Post Service WASHINGTON - In the confusion on the House floor during Friday night's budget debate, a handwritten note was enacted into law that, for the time being at least, deletes the budget for the National Science Foundation (NSF) and research funds for three other federal agencies,

A few words scrawled at the top of a page in President Reagan's substitute budget proposal had congressmen arguing from the floor against an action that might inadvertently stop U.S.-funded scientific research.

The scrawled note, read aloud by the House clerk, called for striking a portion of the budget proposal to insert different materi-What was deleted was NSF's budget, as well as the research budgets of the Department of Energy, the Environmental Protec-tion Agency, the National Oceanic and Atmospheric Administration and the Federal Emergency Management Agency. The substitute material contained a revised budget only for the Department of En-

search budgets as clippings on the floor. At first congressmen and agency officials were assured that the deletion was a mistake that would be corrected by a quick technical amendment, said Patricia Nicely, head of the congressional liaison office for the NSF.

Mancuver Intentional

But when no fix appeared, it be-came clear that while the deletion did inadvertently wipe out a cou-ple of small-business programs, dropping the science agencies was no accident. It was a Republican maneuver to strip those budgets

out of the large budget package.
The science budgets were not actually killed by the action Friday, but they now must come up as separate bills before the Congress. That makes them far more vulnerable than when they were safely tucked into the recesses of the big budget bill, especially in the budget-cutting mood that Congress has been in recently.

"Clearly, it's a way the minority can use to bring the full pressure to bear for the NSF bill they want," said Thomas Moss, staff di rector of a House Science and

Reagan Insider "Since the program opened, this has been a disaster area," she wrote. "Our brownstone steps, For High Court

Washington Past Service
LOS ANGELES — A Reagan insider with judicial experience has withdrawn his name from consideration for the Supreme Court and a well-informed administration of-ficial said the White House "was lonking hard" for a woman to fill the vacancy caused by the resignation of Justice Potter Stewart.

uty secretary of state, who re-turned to Washington late last week after a two-week African

said Mr. Clark was "badly needed" in his current post, where he The city says, in effect, that it is has been a buffer between Reagan unrealistic to believe that enough aides and Secretary of State Alex-

he was governor of California, was appointed by Mr. Reagan to a trial court and then was elected for an-

An administration official said the wife of Sen. Robert J. Dole, Republican from Kansas and the consideration for the Stewart seat.



station and softball field in Plains, Ga. Mr. Bertrand bid \$55,000 for the property at auction.

Billy Carter Auctions Off Property to Pay His Taxes

PLAINS, Ga. - The saga of a beleaguered Billy Carter ended here at a public auction when the brother of former President Jimmy Carter sold off property, including his gas station, to pay his tax-

Also auctioned on Saturday were assorted lots, his ranch-style home and a softball field where he once pitched in a "Redneck Power" T-shirt against reporters and his brother.

Afterward, Mr. Carter, 44, saying be had carned enough money to settle accounts with the Internal Revenue Service and local bankers, said farewell to Plains. He is moving to Haleyville, Ala., 110 miles (175 kilometers) away, to seek a "clean break" and start a new life promoting to see me go. Some l'il be glad to leave. The only people I hate to leave is my pastor and my mother." His mother, Lillian Carter, 82, is to undergo surgery Monday for a malignant lump in Mr. Carter earned more than \$106,000 from the

auction and the private sale to the city of a lot behind the station. It was enough, he said, to pay \$70,000 be owed the IRS from a 1978 tax debt and about \$30,000 to local bankers who had threatened to foreclose on his 7,700-square-foot bome on 58 acres in nearby Buena Vista.

All he has left to settle is a \$220,000 loan from Libya. Senate investigators have concluded that the 1980 loan was an unsuccessful attempt by Libya to influence the Carter administration through Billy Carter.

Science Funds Cut From U.S. Budget

Technology subcommittee. "There is no doubt that the budgets of "We really didn't think about it very much, and frankly if we had known all the furor it would cause, we might not have done it," said Mr. Hedlund, who speculated that the whole budget package may have lost votes over the wrangle. knowledged that the science He said there were other slips

tor of the House Budget Commit-

during the week; on Wednesday, for example, the second half of the energy research budget was dropped because it looked too much like the first. But Mr. Hedlund said the sci-

ence budget maneuver, though in-tentional, was "innocent" of poli-tics; it was simply that the Republicans did not want to clutter up the main budget-reconciliation package with bills that could and should be considered on their own,

servative agenda, the club may be evolving into a jungle where some of the Senate lions watch in beadyeyed anxiety for the stalker among

Helms' Tactics Erode

"With Jesse Helms, there's no

more of 'the club,' if it ever really existed — he's made the place

Darwinian," Sen. Paul E. Tsongas.

Democrat of Massachusetts, said

earlier this year when Sen. Helms, a tall, back-slapping man, was

warming to his role as a conserva-

tive zealot and strategist enjoying majority power in the new Reagan

Last week, fresh from a victory in tightening the law on federal payment for abortions of women

on welfare, Sen. Helms was

midwifing the birth of another of

his legislative babies, a ban on Jus-tice Department involvement in

'Meanness in Senate'

warfare against those who disagree

with him, there's a meanness in the

Senate now that I don't think has

been since the days of Joe McCar-thy," said Sen. Alan Cranston of

California, the assistant Democrat-

ic leader. "Helms' tactics make

him a kind of time bomb for Reagan, I think, the way McCar-thy was for Eisenhower." The mere utterance of sucb criti-

cism bespeaks an erosion in the

Senate's clubbiness, even if Sen.

Helms' contrary view — that he is just a dedicated warrior finally

winning a few battles and alarming

the opposition in the process - is

And Sen, Helms responds, "I'm

just a passenger on the train," re-

ferring to the Reagan juggernaut. But he may occasionally nudge the

throttle, too, for he speaks to Presi-

dent Reagan every week, be says,

and some of his tactics in opposing

administration nominees in the

name of fidelity to what be says

are Mr. Reagan's true views have perplexed White House aides.

role as chairman of the Agriculture

Committee illustrate his special

approach to politics. He often

stresses ideological purity at the

expense of compromise victories. Some of Sen. Helms' more extreme

positions have served the president

well, leaving Democrats more will-

ing to retreat to Mr. Reagan's

Sen. Helms has two impressive

'moderate" cuts.

Sen. Helms' actions in his new

"Since Jesse Helms started his

school-busing suits.

sources of power. First, he holds a position of deepest respect in the conservative evangelical and politi-cal movement. "Basically," he says, "we're talking about faith in God vs. secular humanism."

Secondly, he bas had enormous success in raising money through the direct-mail techniques polished in conservative causes. His instinct for folksy but high-powered public relations, honed through 12 years of Deep South radio and television editorializing as the "Voice of Free Enterprise" and a diehard critic of the civil-rights movement, gave him priceless entree to small-dollar contributors. As the champion of the tobacco industry, he is not without hig-lobby money, either.

Rich Re-Election Drive

In 1978, his organization ran the richest re-election drive in Senate history, spending more than \$7 million against weak opposition. Last year, the outfit raised more than \$4 million for Mr. Reagan, and applying the technique that fellow senators denounce as unsporting and mean, Sen. Helms turned his funding machine on several congressional and Senate incumbents seeking re-election as

Some senators complain that he attaches controversial riders on social issues to bills to build a rollcall record: then his cohorts flood the states of legislators who vote against him with fund-raising letters pegged to emotional issues. Sen. Helms emphasizes that his

efforts on social issues are hardly fruitless. He won on denying federal abortion funding to women on welfare who become pregnant through rape or incest; he is close to winning on his busing proposal.

The business of the Senate is the clash of ideas and ideals," says Sen. Helms. "We should make substantial changes now unless we lose heart, and I don't intend to let

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gress?" of the American Civil Liberties Union handbook on the rights of aliens, said that the immigration Mr. Moon had apparently flouted immigration regulations with imservice had a "political bias" against Unification Church mem-The subcommittee said that Mr. Moon had obtained his certificate

Neighborhoods Balk at Moves to Shelter New York's Rising Number of Homeless

By Deirdre Carmody New York Times Service

NEW YORK - The problem of what to do about the increasing number of homeless and often mentally disturbed people who wander the New York City streets is reaching a crisis point as one community after another balks at the prospect of sheltering them, state and city officials say.

"If someone said to me what is the single greatest problem in New York City today, I would say there is no question; the homeless," said Sarah Connell, regional director of the state's Office of Mental

A consent decree, stemming from a class-action suit filed in 1979 on behalf of the city's homeless men is expected to be signed soon specifying that the city should provide shelter and board to each homeless person who ap-plies for it. But many neighbor-hoods seem increasingly hostile to providing permanent or temporary shelters for the homeless, as some recent developments indicate:

• The city, under court order to find more beds for homeless men, approached every community board in the city and could not find a neighborhood in any borough that was willing to accept a new 200-to-300-bed facility. The state has approved a plan for a new 450 bed abelian for a new 450-bed shelter on the nonresidential Wards Island in the East

 A proposed assessment and referral center for former mental patients scheduled to be opened by the city in Manhattan has drawn vehement protests from residents

of the immediate area. People who live near the First Moravian Church at Lexington to maneuver the system and who Avenue and East 30th Street in Manhattan asked the Board of Es-

church, which provides meals, counseling and other help to about 200 homeless people a day. On Thursday, the board voted to renew the grant despite the opposi-tion of the local community board.

The Community Service Society of New York estimates that there are 36,000 homeless men and women in the city. What is of most concern is that the number seems to be increasing. No longer relegated to the Bowery and the shabbier neighborhoods, the homeless are part of the fabric of the city.

"They are becoming the brunt

of everybody's negative feelings, and they are presenting this society with one of its greatest chal-lenges," said Mrs. Connell. "A society is really judged by how it takes care of its least desirable people, and we are not doing a very good job of it."

The growth is attributed to the nghtening of eligibility restrictions for welfare, the loss of more than 25,000 rooms because of the clos-ing of single-room-occupancy hotels, and stricter standards for admission to state psychiatric hospi-

Also raising the numbers is a new phenomenon noticed in shelters around the country: the presence of men in their 20s and 30s, whom Mrs. Connell called "a new generation of urban nomads."

"What we know about them comes from the impression of our staff at the centers," said Stanley Hoffman, director of research and evaluation in the New York City regional branch of the Office of Mental Health. They are relatively well-educated, relatively wellfunctioning, well-traveled, middleclass dropouts, who have learned move around."

An indication of how passionate timate not to renew a grant to the neighborhood feelings can become tention.

is a letter to Mayor Edward I. Koch from Gertrude Huston, secretary of Community Board 5, who lives a few doors from the First Moravian Church and has been canvassing the area with city officials in an attempt to find another site for the program in a less residential neighborhood.

'A Disaster Area'

doorways and vestibules have been invaded by derelicts and bag peo-ple — and their urine and their feces. Some of us have been physically attacked by the more violent of the church's clients." She said all this was "not only disgusting and dangerous to our adult population, but we have young children living here as well."

The state and the city have a long-standing argument about "I've made it clear I don't want whether it is more desirable to be considered for the high have large shelters to house the court," said William P. Clark, dephomeless, or smaller residences within communities.

The state's position is that these men and women are frightened, vulnerable people to whom even the most minor occurrence can be seen as a threat, and that they are overwhelmed by large institutions.

community acceptance can be ander M. Haig Jr. found throughout the city to meet Mr. Clark served as Mr. found throughout the city to meet the need for smaller shelters. Also, Reagan's executive secretary when officials say, large shelters are more economically feasible. There are now about a dozen

privately sponsored shelters other term to the same court. throughout the city. The total annual cost for shelter operations. Friday that Elizabeth Hanford which is shared by the city and the Dole, 44, a White House aide and which is shared by the city and the state, is \$11.3 million. Virtually everyone agrees that these shelters do not begin to be enough for the Finance Committee chairman, had numbers of homeless who need at- emerged "high on the list" under



Billy Carter, left, chats with Roy Bertrand, an Illinois farmer who bought Mr. Carter's gas

By Jay Mathews

has attempted to make a precise

prediction of a major earthquake,

saying that a devastating series of

tremors will begin in Peru in the

next few days and end with the

largest measured quake in history.

The prediction by Brian Brady, a mathematician with the U.S. Bu-

work in mathematics and physics

at the Massachusetts Institute of

The National Earthquake Pre-

diction Evaluation Council, creat-

ed specifically to deal with Mr.

Brady's prediction, has rejected his

evidence as "speculative and va-

gue." But the prediction has

received widespread poblicity in Peru and generated debate in earthquake-prone areas of the

United States about how future

Nn U.S. scientist has ever suc-cessfully predicted a major earth-quake. Mr. Brady said a quake of

5.5 magnitude on the Richter scale

June 22 about 200 miles (320 ki-

lometers) from Lima supported his

prediction but American earth-

at universities dn not agree.

quake experts in government and

9.9 Magnitude

last year that an 8-magnitude

quake, greater than the temblor

that hit San Francisco in 1906,

would occur near Lima on or about June 28, 1981. This would

be followed by a 9.2-magnitude

quake on or about Aug. 10 and a

9.9-magnitude quake on or about Sept. 16, be said in a prediction

that was supported at the time by

William Spence, a geophysicist with the U.S. Geological Survey.

A quake of 9.9 magnitude on the Richter scale would exceed what is

thought to be the most powerful

quake ever recorded by modern in-

struments, a 9.5-magnitude quake

in Chile in 1960 that caused 5,700

Word of the prediction eventual-

ly caused such a sensation in Lima

that the Peruvian government

asked the U.S. Geological Survey

for an official opinion. The Na-

tional Earthquake Prediction Eval-

uation Council, composed of gov-

ernment and university experts,

said on Jan. 27 that it was "nncoo-

vinced of the scientific validity of

the Brady-Spence prediction."

Barry Raleigh, the geophysicist

at the U.S. Geological Survey in

tion efforts, served on the evalua-

deaths.

Mr. Brady made his prediction

predictions should be handled.

Peru.

Technology.

DRIVING TEST - Student driver Antoinette Monemagno probably will need a few more lessons before getting her license. She was slightly injured after losing control of a training vehicle in Little Silver, N.J. A policeman and her driving instructor inspected the damage.

Rain, Floods Threaten Crops in Midwest

By Douglas E. Kneeland

New York Times Service LOWELL, Ind. - Last year Bill Lain was upset because he could not afford to buy an irrigation system to improve the yields of his drought-stricken corn and soybean crops here in Lake County. This year he is fretting about how to overcome losses caused by heavy rains and flooding.

For Mr. Lain, 33, who was named "Young Farmer of the Year" in Indiana last year, and for most nther Midwestern farmers, the drought that has plagued much of the area for a year and a half is

In most of the midlands this is good news, but in many of the most productive farming counties nf Illinnis, Indiana and Ohio, the relentless rains of the last two months threaten a new disaster.

Much corn planting has been delayed past the time that would allow the crop to be harvested before the fall frosts. In many areas the fields have been too wet for farmers to use heavy equipment to plant a substitute soybean crop. And in other regions rains have washed nut or severely damaged many acres of corn and soybeans already planted.

All three problems have struck Lake County in northwestern Indiana. Last summer, it was one of 16 Indiana counties that the federal government designated as drought disaster areas, allowing farmers whn had suffered severe losses to qualify for low-interest emergency

acres of wheat that he had planted with his partner, Gerald Little. They estimate that much of the wheat and about half the corn and soybeans have been lost because of rains and flooding from overflow-

through their property to the swollen Kankakee River. "I really wanted to buy an irrigation system," Mr. Lain said. But that's about \$120,000 and I out." couldn't justify going ont and bor-rowing that much more money." With a nod toward the water

standing in one of his ruined fields, he added, The way things turned out, I'm just as glad I didn't In Washington, the Department of Agriculture is to disclose Monday its latest estimate on the amount of acreage planted nationally in various crops, and on Tuesday it will give its projections for supply, demand and carry-over at the end of the crop years. And offi-cials have conceded privately that they are watching the weather in

the Corn Belt with apprehension. In Chicago, Conrad Leslie, a private crop forecaster, said that abnormal rains and temperatures to the moment suggest United States corn supplies a year from

Temblor in Yugoslavia The Associated Press

TRIESTE - Two moderately strong earth tremors jolted the quake-prone area near the Italianoans.

Yugoslav border on Sunday, the
The irony is not lost on Mr. Trieste Seismological Observatory

corn, 450 acres of soybeans and 60 now may be at an unusually low

"On June 15 there was still about 5 million acres of corn to plant," he said, "as compared to a normal 100-percent completion. rains and flooding from overflow— This suggests the possibility then ing drainage ditches that run that we'll have below-ourmal yields on that late-planted acreage. In addition, some of the earlyplanted Missouri, Illinois, Indiana and Ohio acrease has been flooded

> Mr. Leslie said the total corn acreage might slip as much as 2 million below the 74 million acres that the Agriculture Department estimated in March would be harvested in the fall. At an average of 100 bushels an acre, he noted, the total harvest would be 7.2 billion bushels. "Consumption this season, with limitations on Soviet purchases, will be about 7.5 billion bushels," he said.

In western Iowa and Nebraska, climatologists report a shortage of moisture, but agricultural officials are so far not expressing alarm about the overall crop outlook in either state.

Despite recent floods in the Great Bend area in western Kansas that did considerable local damage to wheat, the state reports that crops are progressing well. And in Missouri, higher-than-normal rainfall in most parts of the state has relieved last year's drought problems.

But in Ohio, three western farming counties, Putnam, Wyandot and Hancock, have been declared federal disaster areas. And the entire state of Indiana has been declared an agricultural disaster area. tion council and has been one of

the most outspoken in deriding Mr. Brady's prediction. Washington Post Service
LOS ANGELES — For the first

He said Mr. Brady had not given the council any detailed written time, a U.S. government scientist equations supporting his predic-tion, and said some of Mr. Brady's previous research papers had contained errors. "That is not to say other scientists' papers don't have some errors, too," Mr. Raleigh added. "He's got qualifications; you can't discount them."

rean of Mines in Denver, has cre-In a telephone interview from ated consternation among other his office in Denver, Mr. Brady earthquake scientists, who see little said he was sticking to his predic-tion. He complained that the counor no evidence for the prediction, to say nothing of the concern in cil had not given him enough nime to explain his theory. "There is no Seismologists have had little way anyone is going to evaluate an earthquake prediction in just five hours. That's absurd," Mr. Brady trouble debunking earthquake predictions by psychics and stockmarket analysts, but Mr. Brady said, describing the council's Jannhas a doctorate from the Colorado ary meeting. School of Mines and has done

James Rice, professor of theoretical and applied mechanics at Brown University and an adviser to the council, said he felt some

parts of Mr. Brady's earlier published work on his inclusion theory" were "simply mathematically wrong." Mr. Rice said Mr. Brady

slides covered with equations" at the council session but had not given members enough time to study

Mr. Brady's theory involves a complex analysis of the unusually severe stresses along the fault line running down the Pacific coast of South America. He said he had developed the mathematical model to predict quakes while analyzing ways to predict "rock bursts," small events like earthquakes that are caused by underground min-

Support Withdrawn

Mr. Spence, 43, dissociated him-self from Mr. Brady's prediction shortly after the January meeting with the council. He said the area around Lima "is highly stressed and could conceivably produce a big earthquake ... But I think for a series of quakes of that magnitude there should be all kinds of indicators present," which he said he did not see.

Mr. Brady and Mr. Spence told the council they would withdraw the prediction if there was not a not in a stage where we can

had presented "a large series of substantial increase in the number of quakes of 4.5 magnitude in the area in May. An increase has occurred, Mr. Brady said, although the quakes were recorded only by scientists in Peru who have kept him in touch.

The Brady controversy has revived an old debate over the socially explosive issue of carthquake predictions, particularly now that U.S. scientists are attempting to construct a system to predict major earthquakes along the U.S. West Coast.

A federal report has said there is a greater-than-50-percent chance of a major quake along the south-ern San Andreas Fault in the next 30 years and estimated the death toll at 3,000 to 13,000 people.

Chinese authorities say they have predicted several carthquakes and saved thousands of people by evacuating buildings. There is evi-dence, however, that they have or-dered evacuations in some instances where earthquakes did not

Peru Quake Prediction Creating Scientific Tremors predict. We are trying some ideas out, but we need many more good observations." He described the process this way: "You have a match and you know there is a candle in the room somewhere, so there is a certain amount of groping around."

Precautions in Linu

LIMA (Reuters) - Hospitals and emergency services went on the aiert here on the eve of the predicted earthquake. Hospital sources said as many patients as possible had been sent home to make beds available. Doctors and nurses were told to be prepared for an

"We are in a permanent state of alert," a civil-defense official said Saturday. The precautions were taken despite official appeals to the public to ignore the earthquake prediction made by Mr. Brady.

In a gesture to allay fears, U.S. Ambassador Edwin G. Corr told reporters that his elderly parents were visiting Lima as proof that the U.S. authorities were not taking the prediction seriously.

Jews Selected for Torture, Argentine Activists Assert

Head of Army, Chief of Staff Held

NEW YORK — The leaders of an Argentine human-rights group, Mothers of the Plaza de Mayo, say the Argentine government singles out Jewish political dissidents for especially cruel forms of torture

and abuse.
In New York to accept a \$10,000 Truth and Freedom Award from the Rothko Chapel of Houston, the two representatives said that many relatives of Jews detained by the police had told them of interrogation sessions far more violent and prolonged than those experienced by other arrested dissidents.

"Many times, when the police find out that the family is lewish, they treat them much more cruelsaid Hebe Pastor de Bonafini, president of the human-rights group. She said they had obtained the information from mothers and grandmothers of people taken away by the government and never

Lapaco Family

Maria Adela de Antokoletz, the group's vice president, recalled a case four years ago in which the police searched the home of the Lapaco family in Buenos Aires. When they found shelves full of books by Jewish authors, the police questioned Carmen Aquitar de Lapaco. She explained that her dead husband, a well-known journalist in Argentina, had collected the books and that many of the authors were his friends.

They realized then that her husband had been a Jew," Mrs. Antokoletz said.

Menlo Park, Calif., primarily re-sponsible for earthquake-predic-Mrs. Lapaco and her daughter were then arrested. The police re-leased the mother 48 hours later; the daughter has not been seen

"We all know, though we are

ly, that what Timerman says is the truth, because we have heard no less than 500 testimonies that say the same thing," Mrs. Bonafini said, referring to Jacobo Timerman, the exiled publisher who has said that Argentina imprisoned and tortured him for 2½ years, in part because be was a Jew. Both women disputed Argenti-

political detentions in the last year and a half. The two women said 14 mothers had joined their group af-ter saying that their children had disappeared this year. "It is true there have been fewer

na's contention that it had stopped

disappearances this year," Mrs. Bonafini said, but "the threats, the kidnappings and the deaths con-

Rothko Chapel

The Rothko Chapel of Houston, an ecumenical center for humanrights activities, has made awards of \$10,000 each to 12 human-rights groups. The center's money came from the late John de Menil, a Houston philanthropist, and his wife. Dominique. The center, which was designed by Mark Rothko, promotes human-rights activism around the world.

The two women plan to go to Washington next week to ask the Reagan administration for sup-port. They declined to discuss their view of current U.S. human-rights

Religion Stifled In Philippines,

Cardinal Asserts United Press International

MANILA — Philippine Cardinal Jaime Sin said there exists a "deliberate, finely orchestrated" government campaign to suppress freedom of religion in the Philip-The spiritual leader of the Phil-

ippines' 38.4-million Roman Cathdies said on Saturday that events before, during and after the recent presidential election had forced him to draw such a couclusion.

The charge was made in a speech read to the Catholic Bishop's Conference of the Philippines by Bishop Leonardo Legaspi in Baguio, 160 miles (257 kilometers) north of the capital. The cardinal was in Manila recuperating from

stomach surgery.

Cardinal Sin called the government's suppression of religious freedom a "problem of the most grevious proportions" and said that it "strikes me as a deliberate, finely orchestrated campaign by the state to throttle the freedom of the church to speak up on matters

of Catholic morality. The church leader said the government foiled every attempt by the church to discuss with its members the morality of vnting. The opposition had called for a nationwide boycott of the Juoe 16 presidential election.

policy. Mrs. Bonafini would say only, "Since they are human beings, when they hear us, they have but stand quietly wearing scarves

The Mothers of the Plaza de Mayo gather at 3:30 p.m. every Thursday at the Plaza de Mayo, a

busy square in front of the govern-Coup Attempt Thwarted in Bolivia;

United Press International Garcia Meza. No shots were fired, LA PAZ - The head of the Boalthough there were reports of relivian Army tried to overthrow President Luis Garcia Meza over sistence in the interior. "Gen. Garcia Meza retains the the weekend hut the short-lived job of president with the full backing of the armed forces and the coup attempt was crushed before either side could fire a shot. It was people's general consensus," a govthe fifth attempt in 11 months to oust Gen. Garcia Meza, who himernment communique said. The communique added that the self came to power in a military persons involved in the rebellion

A military communique said army commander Gen. Humberto Cayoja and army chief-of-staff Gen. Lucio Anez had been arrested and would be tried for plotting the coup attempt.

Tanks and troops that Gen. Cayoja sent into the streets of La Paz before dawn later withdrew, replaced by soldiers loyal to Gen.

disappeared At the news conference, the for-

but stand quietly wearing scarves embroidered with the names of

their children and the dates they

Friends of the Mothers was annonnced by Patricia Derian, who was assistant secretary of state for human rights and humanitarian affairs in the Carter administration. The group will offer legal aid and "a show of support" to the Argentine group, Mrs. Derian said.



milit

Gun Control Act in U.S. Gives Felons Chance to Regain Right to Bear Arms

had been removed from their posts

and will be tried "in accordance

with the armed forces law and mil-

itary code." It did not say who, be-

sides the two generals, may have been involved. However, in a brief

radio broadcast while the attempt-

ed coup was in progress, Gen. Cayoja said he had received

pledges of support for the coup from other cities.

By Douglas B. Feaver

Washington Part Service
WASHINGTON — Russell Bootright, convicted of mail fraud in a little insurance-dividend check scam, served his time, re-established himself in his rural North Carohigh town and set out to regain his rights as a citizen, including the

to bear arms. So last year, as did 2,500 other convicted felons, he called the closest field office of the Treasury Department's Bureau of Alcohol, Tobacco and Firearms and applied for permission to buy a gun. Six months later, he got it.

"I don't even own a gun now, even after I got permission," Mr. Bootright said in a telephone interview. "I just felt it was a right I wanted. I live out in the country, and sometime I might want to go plinkin'." (Plinkin' is the sport of shooting holes in tin cans and

Former Vice President Spiro T. Agnew, who pleaded no contest to a tax-evasion charge in 1973 and resigned from office, was granted the same permission in 1974. He told reporters then that he needed a gun for personal protection.

Appeal Process

Both Mr. Bootright and Mr. Ag-new were forbidden by the Federal Gun Control Act of 1968 from owning firearms because they had been convicted of felonies, crimes carrying a sentence of more than one year. However, the act also provides a way for such people to regain that right.

E. Howard Hunt, for example, is

in the midst of the process. He was convicted in 1973 of conspiracy, burglary and illegal wiretapping for his role in the 1972 break-in at the Democratic National Committee headquarters in Washington. He was released from prison in 1977, and recently submitted his application to be allowed to own a

It starts with a federal form, which must be filled out by anyone who wants to buy a gun legally. One question on the form is: "Have you been convicted in any court of a crime punishable by imprisonment for a term exceeding one year?"

If the answer is no, the sale pro-ceeds and nobody checks to see if the answer is true. The forms are kept on file by the gun dealer, not the federal government, and be-come useful only after a gun is in-volved in a crime and its origin

That means, of course, that a person convicted of a felony and who does not care about the possibility of a \$5,000 fine and five-year prison sentence for lying on the form can simply answer no and buy the gun.

Series of Interviews

If the answer is yes, however, the dealer cannot sell the gun until the bureau has investigated the ap-plicant's case thoroughly and has granted approval. Agents interview friends, neighbors, employers, the local police chief and the individuthen make a recommendation. The file is forwarded to Washingtoo for a final decision by the bureau's director.

"We want to be sure the person is not going to misuse the weap-on," said Lyman Shaffer, the new

head of the bureau's firearms enforcement branch. About half the 2,500 persons who apply annually are turned down, he said. Those who are approved get a letter from are printed in the Federal Register.

The process, mandated by Congress, requires the work of 45 of the bureau's 1.500 agents cach

Most of the applicants, Mr. Shaffer and his colleagues said, want a gun to go hunting, or, in some cases, for employment as a security guard. Most of those who receive approval have committed white-collar crimes, usually tax evasion. Persons convicted of drug-related crimes make up the second-largest category of appli-

Follow-Up Study

"We get a lot of guys who were convicted of possession of two ounces of marijuana, and that's all he's ever done. He's been a churchgoer, pillar-of-the-community type," said Noel Hacra, Mr.

Shaffer's predecessor at the burean. "We also get guys who apply who are still in the can. They write us from prison because they don't have anything better to do."

The bureau's Dorothy Fankner said that in the one follow-up study the agency has done, four of a sample of 150 applicants were found to have subsequently committed a crime. Two of them had been granted permission to own guis. Two had been denied.

Mr. Bootnight said his experience with the agency was "no has-sle, but they had a right long ques-tionnaire," (The questionnaire that applicants must fill out before they are investigated is only two pages long, but has 20 questions, many with sub-parts, all of them prying.)

When he and some of his insurance-selling colleagues got in trou-ble with the law, Mr. Bootright said, "We owned up to the whole thing. I told the postal inspectors everything we had done. We were caught up in a world that wasn't leading anywhere. I paid my debt, and I just felt like I wanted to get my right restored."

Using Anti-Terrorist Law, Police Rearrest Rightist Major in Spain

MADRID - Using a new antiterrorist law against the military for the first time, Spanish authorities have rearrested a rightist army major suspected of plotting terrorist acts against the government.

Defense Minister Alberto Oliart called the alleged conspiracy "a marginal thing" compared with the attempted coup by Civil Guard members on Feb. 23, but other of-

Terry Fox, 22, Canada Runner, Dies of Cancer The Associated Press NEW WESTMINSTER, British

Columbia — Terry Fox, 22, the one-legged runner who became a symbol of courage and hope in his fight against cancer, died Sunday.

His Marathon of Hope, an attempted coast-to-coast run, has so far raised about \$24 million for cancer research. Last summer Mr. Fox tried to run from Newfoundland to British Columbia. He was forced to abandon the marathon near Thunder Bay, Ontario, when the cancer spread to his lungs. Canada had announced Thurs-

day that it would issue a stamo temorating his cross-country run, an honor usually granted posthumously or reserved for the living only if they are royalty.

Henry Glass

NEW ORLEANS (UPI) -Henry "Booker T" Glass, 101, a pioneer of Dixieland jazz, died Thursday, Mr. Glass, a drummer, was one of the last musicians whose development predated the Dixieland style of the early 1900s. He originally played bass drum and later acted as grand marshal for the Olympia Brass Band. He retired in 1973 when his vision be-

ficials warned against taking the reported conspiracy lightly.

On Saturday, the Interior Ministry ordered Maj. Ricardo Sacuz de Ynestrillas retained in custody "for crimes related to the formation of armed bands with civilian elements." Military authorities had released him earlier in the day after the maximum five days of detention allowed under military law.

Maj. Saenz de Ynestrillas: was convicted two years ago of plotting against the state with Antonio Tejero Molina, the Civil Guard lieutenant colonel who led the assault on parliament in February. The major, two colonels and two civilians were arrested Tuesday on suspicion of planning terrorist actions against the government.

Police discovered the alleged ter-rorist plot June 19 when they found explosives and coded gov-ernment papers in the home of a member of the far-right New Force Vouth Party with the pa Youth Party who was injured by a bomb he planted in Madrid. Another army officer and five civil-ians have been detained for questioning.

Spanish Church Forbids Divorce

MADRID — The Spanish Bishops Conference has forbidden Roman Catholics from seeking a divorce although they are allowed to do so under a law passed by the Cortes (parliament) last week. The law, which allows divorce

by mutual consent and takes effect next month, reintroduces divorce more than 40 years after it was abolished by Franco.

The Catholic faithful may not in conscience use the civil possibilities provided by the divorce law. the conference's standing come sion said Staurday. Those who do will put themselves in an installar studion before God and the

Lain as he surveys the 900 acres of reported. Oil and Money in the Eighties

A CONFERENCE SPONSORED BY THE INTERNATIONAL HERALD TRIBUNE AND THE OIL DAILY LONDON, SEPTEMBER 28 & 29, 1981

Sheikh Ahmed Zaki Yamani, Minister of Petroleum and Mineral Resources, Saudi Arabia, will be the keynote speaker at the second International Herald Tribune/Oil Daily conference an "Oil and Money in the Eighties," to be held September 28 and 29 at the Royal Garden Hotel in

James B. Edwards, U.S. Secretary of Energy, will open the second day of this international meeting with an address an the Reagan administration energy policy.

Designed to help senior executives involved in energy, finance and closely related fields to determine their business strategies for the 1980's, this two-day working conference will include major sessions on the following subjects: the supply-demand autlook how to finance future oil production

the impact of politics an future oil flows alternative energy resources. A panel format will be used extensively to stimulate exchange among all participants and produce fresh insight and recommendations an what must be done now.

Speakers will include: Nordine Ait-Laoussine, Director, The International Energy Development Corporation, Geneva, and former Vice-President of Sonatrach

CONFERENCE REGISTRATION

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Chinese Foreign Minister Huang Hua and Indian Prime Minister Indira Gandhi met with reporters in New Delhi after a discussion of ways to resolve the issues dividing the two nations.

India, China Agree to Work to Resolve **Border Dispute and Normalize Relations**

NEW DELHI - India and China agreed Sunday to negotiate an early solution to their 20-year border dispute and to seek to normalize their long-strained relations.
The decisions were announced

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at the end of a three-day visit by Huang Hua, the Chinese deputy premier and foreign minister. Mr. Huang met Sunday with Prime Minister Indira Gandhi of India. Mrs. Gandhi and Mr. Huang both called his trip a success. It was the first visit to India by a senior Peking leader since before the Chinese-Indian border war of

"The agreement is that we should talk about it," Mrs. Gandhi said when reporters asked her if her 70-minute meeting with Mr. Huang had produced agreement on the border question.

China 'Positive'

At a final meeting between Mr. Huang and P.V.N. Rao, the Indian minister for external affairs, it was tentatively decided that an Indian delegation would open normalization talks in Peking in September, an Indian official disclosed.

Mr. Huang told reporters that on the border question China would "take a positive attitude and explore ways and means to handle and settle it."

Both sides made clear that acrual bargaining had not yer begun on closing the wide gap on the border question and that neither had offered any specific compromises. But they expressed determination not to let the unresolved frontier dispute continue to block coopera-

tion between the countries in other Mrs. Gandhi said the border question had been discussed but there had been "no specific pro-posal from the Chinese side to re-

solve it." She said she stood by recent statements that Indian interests must be preserved. But she also

Vienna Protest Urges Demilitarized Europe

VIENNA — About 2,000 young people took part in a pacifist march for a demilitarized Europe. Police said there were no incidents. The demonstrators protested Saturday against arms exports, stationing new missiles in Europe and U.S. involvement in El Salvador. They also called for the removal of Soviet SS-20 missiles in East Europe and the withdrawal of Soviet

prove the atmosphere between the two countries.

An Indian government state-ment said it had been agreed that "the boundary being a major ques-tion ... it is necessary to arrive at a settlement at an early date." It added, "At the same time, it is in the interests of the peoples of both countries to improve relations in other fields."

Without mentioning the Soviet Union, India's friend and China's adversary, the statement said India and China have some differences in approach to regional and global issues but said it was "agreed that these differences need not stand in the way of improving Indo-Sino

relations. The two countries will organize cultural, scientific and economic exchanges and periodically review the progress achieved in the whole range of relations," the statement said.

Mr. Huang provided an example of the conflicting global views of Indian and Chinese leaders when he said at a news conference that there should be no preconditions

stressed the importance of Mr. for withdrawal "of Soviet aggres-Huang's visit and the need to im- sor troops from Afghanistan"

within a specified time. Mrs. Gandhi bas avoided public criticism of the Russians, maintaining that countries other than the Soviet Union have interfered

in Afghanistan.

Arms Talks Reported [India is negotiating with the Soviet Union for MiG-25 lighters in response a prospective U.S. arms deal with Pakistan, an Indian official told United Press International. The official said India wanted to get the Soviet lighters to offset the air superiority that Pakistan is likely to acquire because of the proposed purchase of U.S. F-16

fighters. Mr. Huang said the current Chinese position on the border question is that "pending a settlement the two sides should maintain the status quo and tranquility of the border" while improving contact

and cooperation in various fields. He said India and China are developing countries that need peace, and friendship to permit faster economic growth and a higher standard of living.

Thai Coup Plotter Returns From Exile After 80 Days with military coups, which were usually followed by a policy of leniency. The only violent aftermath the military coups, which were death or have a choice of living in exile," a Thai politician said. "But Thailand is perhaps one of the BANGKOK - A Thai military

leader who went into exile after his unsuccessful coup attempt almost three months ago has returned to a bero's welcome typical of the Thai tradition of compromise after in-ternal military confrontations.

When his attempt to seize power was crushed and a warrant was issued for his arrest, Lt. Gen. Sant Chitpatima made his way across Thailand's rugged western border

On June 22, after 80 days of political asylum in the Burmese capital, Rangoon, the former deputy commander in chief of the army came home to a house swelled with well-wishers carrying greetings and flowers. His reception was in keeping with Thailand's practice of har-boring no hard feelings after fac-tional clashes in the military.

Premier Prem Tinsulanonda, whom the plotters sought to depose, had said he was pardoning the rebels because of his adherence to a Buddhist teaching that says "evil should not be paid with retri-

Rife With Coups

The coup, which began in the early morning of April 1, was crushed almost without resistance after 56 hours. One civilian and one soldier were the only known casualties in a brief shooting inci-

dent. Thailand's modern history is rife

China to Publish Selected Works By Liu Shaoqi

The Associated Press

PEKING — Selected writings of Liu Shaoqi, the former president of China who died in disgrace in prison in 1969, will be published this year, the Chinese news agency has reported. Mr. Liu was exonerated and given a state funeral last

The agency said his works re-corded "his outstanding contributions to the formation and devel-opment of Mao Tse-tung's thought, the Chinese Communist

Party's guiding ideology."
Mr. Liu was dismissed and imprisoned during the Cultural Revo-

The news agency said the party Central Committee's editorial committee on party literature was compiling a selection of Mr. Liu's works on China's workers' move ment, work in Nationalist-held areas, party building and other

was the execution of an insurrection leader, Gen. Chalard Hiranyasiri, in March, 1977, by the hard-line regime of former Premier Thanin Kraivichien.

"Usually, abortive coup leaders elsewhere either meet a violent

Shift in Cabinet Seen as Boost

BANGKOK -- Cambodia has announced a new government, changing the form of administra-tion, but offering little new in the leadership lineup, according to ob-

Heng Samrin, a former general installed as president when Viet-namese-led forces ousted Pol Pot and his Khmer Rouge from power in Phnom Penh in 1979, retains the same title, but with new powers. Pen Sovann, head of the People's Revolutionary (Communist) Party, was named president of the council of ministers, or premier, heading the Cabinet.

Heng Samrin, as president of the council of state, becomes chief of state under a recently promulgated constitution. The council is chnically superior to the Pen So-

But in his double-barreled role as bead of the Cabinet and party chief, Pen Sovann holds the final power. Before Saturday's action by the 117-member National Assembly, the presidency had been a purely titular role, in which Heng Samrin chaired government meet-

Under terms of the new presidency, Heng Samrin and his coun-cil of state give orders to the Cabinet. But Pen Sovann's party is what the constitution calls the "leading organ" in the country, laying down policies. The new appointments were made Saturday at the end of the assembly's first four-day session since being elected May I.

Bangladesh Population

DACCA, Bangladesh — The population of Bangladesh has grown to 89,940,000 from an estimated 71,479,000 in 1974, according to a census in March, Planning Minister Fasihuddin Mahtab said

Pro-Taiwan Leaflets Fill Mail From U.S. to Peking

By Michael Parks Los Angeles Times Service

PEKING - Leaflets denouncing Communism, the Chinese leadership and recent improvements in inese-U.S. relations are being inserted into much of the mai received here from the United States, but Chinese and U.S. postal authorities say they are not certain who is responsible.

The Chinese Ministry of Posts that agents of Taiwan based in Hong Kong may be the culprits, and accuses them of trying to pois-on Peking's ties with other countries. But U.S. postal inspectors speculate that Peking itself may be here the leaflets are being inserted since most mail from the United States does not normally go through Hong Kong on its way

Several recent leaflets — generally mimeographed, 9-by-12-inch sheets filled with closely written Chinese characters - have praised the Nationalist regime on Taiwan and urged mainlanders to overthrow the Communists and adopt the Nationalist political, economic and social system.

Other leaflets have objected to

recent policy changes and have called Deng Xiaoping, the Communist Party deputy chairman, and other leaders a "new Gang of Four," comparing them to the radicals who controlled China during

Belgian Police Arrest Rightists

The Associated Press DIKSMUIDE, Belgium About 100 persons, most of them extreme rightists, were arrested by police here during the weekend for disturbing the peace after a meeting of neo-Fascist groups from sevcral European countries.

Neo-Fascists gather here annually on the eve of the Yser Pilgrimage during which Flemish-speaking Belgium pays homage to the Firmings who died on the banks of the Yser River during World War

The pilgrimage to a war memorial attracted 35,000 persons on Sunday. The event has become the focal point of Flemish pride but is increasingly marred by distur-bances because of the presence of the rightists, organizers said.

the Cultural Revolution and are now in jail.

One recent leaflet urged, for example, that Chinese workers follow the "fighting experience of Polish laborers" and depose "our country's fascist dictatorship."

Such leaflets have generally been signed with names like "a group of education workers," Canton postal and telecommunication employees" or the "Political Tribune," which is regarded as dissidents. After an investigation last

month by Chinese security authorincs, the postal administration in Peking said: 'The material was exactly the kind of reactionary propaganda material forged by agents of Chiang Kai-shek's bandit gang. This dirty trick, frequently used by the access of Chiang and the agents of Chiang's bandit gang is aimed at sabotaging the friendly contacts and postal communications between our people and those of other countries."

The mail involved, addressed to Chinese as well as foreigners, was intercepted in Hong Kong and held up for as long as a month while the leaflets were inserted, the postal administration concluded.

U.S. postal inspectors, who investigated at the request of the Los Angeles Times, concluded that the material was not being inserted in the United States but probably not

in Hong Kong, either.

"Right now, I would speculate somebody in Peking's post office is doing it," said Harry Lucas, a Los Angeles postal inspector. "I just cannot see where the mail [from many different parts of the United States] would come together anyhere before Peking

The only other possibility, he added, might be Narita Airport outside Tokyo, where bags of mail are transferred to flights bound for Peking and Shanghai

The leaflets have puzzled most of the foreign recipients here and have greatly annoyed the Chinese wbo have received them.

"The material is so crude that it is not even amusing," said a pro-fessor at Peking University whose correspondence with scientific colcagues in the United States and Western Europe has been disrupted by the leaflet campaign. "It is not enough that our letters get de-layed, but then we have to spend time with all sorts of [party and security] officials after reporting each piece of nonsense."

Thailand is perhaps one of the very few countries where a rebel can continue life as if nothing had happened."

Gen. Sant, who is still a member of the Thai Senate, attended a leg-

islative session Friday. He was greeted by members of parliament, which he had dismissed by decree during the coup attempt. Gen. Sant told reporters he had come to thank parliament for making it possible for him to return home

through a royal amnesty. To Heng Samrin

Thailand's King Bhumiphol Adulyadej last month announced an amnesty for 52 coup participants who had surrendered. Gen. Prem later proposed a bill to parliament seeking amnesty for all coup plotters, civing "national unias one of the reasons for his

> Upon his return, Gen. Sant was elcomed by student groups who thanked him for the coup manifesto. It reflected general anxieties of Thailand's laboring and educated classes — condemning press restrictions, crime, drug use and erosion of traditional Thai values.

Gen. Sant was chairman of Gen. Prem's policy advisory body and was regarded as one of the kingdom's most influential military figures prior to the April coup attempt. He is expected to play no further role in politics following his purge from the military by

Gen. Sant was near becoming the Thai Army's commander in ehief last October, but parliament backed a move that allowed Gen. Prem to continue his term as army chief beyond the compulsory re-

Drastic Action

The extension angered Gen. Sant and other young military officers. They took their drastic action because they saw Gen. Prem's move as hindering efforts to create a democratic system free from mil-Lary power-seekers.

Several of Gen. Sant's fellow plotters are now in the monkhood, some have started working on their memoirs, while others have announced intentions to make a political comeback. Gen. Sant says he has no plans

for the future.



Lt. Gen. Sant Chitpatima

"I knew I would come back to Thailand one day because I did everything with good intention," be said. "But during my days as a ref ugee in Burma, I did not write any thing down. I don't want to re member anything. I have forgotter



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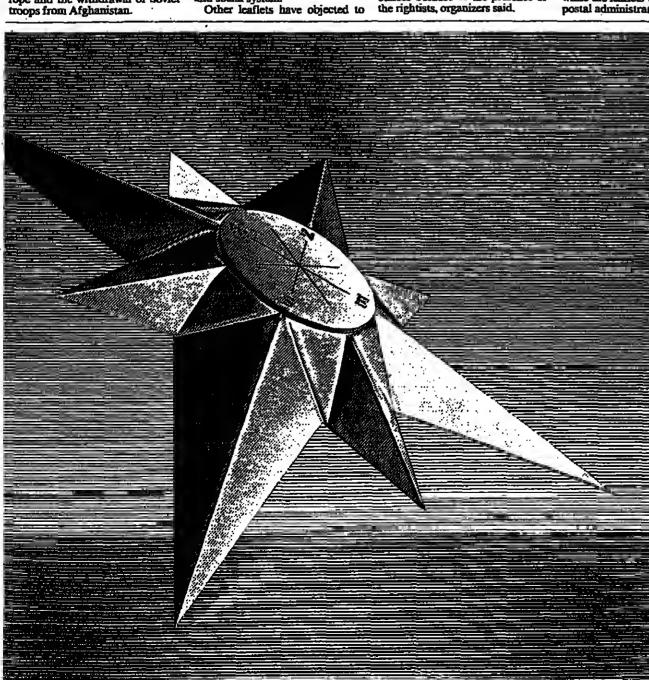
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Page 6 Monday, June 29, 1981

The Budget Triumph

The budget votes were a ringing victory for President Reagan, and an extraordinary display of political power. There's been nothing quite like it since Lyndon Johnson's first years in the White House. But that parallel offers a cautionary signal to the present tenant. It is the excesses of the Johnson years that started a trend in Americans' views of their government, and their taxes, that is now culminating in the Reagan budget.

Mr. Reagan has a winning manner, and he made a lot of phone calls to congressmen. But that wasn't what produced the majorities. It was a widespread public resentment of a certain political and fiscal tradition that created the Reagan presidency, and not the other way around. There's a lot to be sorry about in the budget that is now well on its way to passage. But first you need to give careful examination to the forces that are thrusting it forward at such speed. In retrospect, you can clearly see their beginnings in the middle 1960s.

It wasn't Vietnam alone. It was also the War on Poverty, with its peculiarly abrasive and adversary style of reform. As mayors began to find that federal money seemed to be financing the demonstrations in front of their houses, a wedge of distrust and disapproval began to separate traditional Democrats from their government. For the first time in a generation, they began to raise basic questions about the government's good faith questions that were enormously amplified by the illegalities of Mr. Nixon's first term. After 1972 there followed eight years of weak presidencies, during which the subcommittees of a fragmented Congress sought to pro-tect themselves through alliances with narrow constituencies.

The result, by 1980, was a lobbyists' budget in which each line was vociferously defended by somebody while the budget as a whole was defended by nobody. People increasingly felt that their tax money was being used mainly to send checks to somebody else. The accumulating budget deficits were an indicator of the unpopularity of the enterprise; neither presidents nor Congress dared attempt to raise the taxes to balance those outlays. Instead, they lamented that the budget was uncontrollable - another contribution to the erosion of people's confidence in their government. The budget became the focus of . the deep grievances and even fears that now fuel the Reagan engine.

In terms of its general targets, Mr. Reagan's budget does not go outside the limits of recent American experience. If he gets all of his tax legislation precisely as he drafted it the nation's tax burden in relation to personal income will be back just where it was in 1977 when President Carter took office. By 1984, the budget - if it works out exactly as Mr. Reagan plans it - will be just about the same size in relation to the national economy as in the early 1970s. Defense spending, despite the Reagan increases, would be much lower, in relation both to the rest of the budget and to the economy, than it was under President Kennedy.

The real change will take place in the internal structure of the budget. Everything except defense will be squeezed to accommodate the rapid and continuing rise of the pensions and the health care associated with them - above all, Social Security, Medicaid and veterans' benefits. The implications here go well beyond the usual scuffle over federal

For the past three decades, the distribution of income in the United States has been remarkably stable. The distance between rich and poor has neither grown nor shrunk. Congress has slowly made the income tax system less progressive, lightening the burden at the top. But it has simultaneously maintained a balance by increasing the direct benefits to the people at the bottom.

Now the tax cutting at the top is being greatly accelerated, while the social benefits at the bottom are being diminished. That foreshadows the sharpest shift in income distribution among Americans since the 1940s, and in the opposite direction.

Mr. Reagan is responding, very effectively, to the powerful political currents that brought him to office. In this moment of triumph, there is not much inclination at the White House to look beyond. But those budget votes imply a nation in which many families will live in greater want and strain than they do today, while the majority gets richer. It is the job of a president to rebuild the political base for public policy that sets limits to the disparities in American wealth and poverty.

THE WASHINGTON POST.

And What's Still There

No one seems to know everything that's in the two huge budget bills now headed for Senate-House conference, but there are some known survivors among the program-wreckage and some known dead.

Veterans, with a last-minute further assist from the White House, protected their \$25billion programs from all but a few minor corners, the synfuels and other developers of alternative energy sources — is in fine shape with the prospect of generous tax breaks on the horizon. Export-Import bank beneficiaries, primarily seven large corporations, staved off much of their potential loss. Also unharmed was the nuclear lobby. It protected its only threatened property, the Clinch River fast breeder reactor, from congressional assault. Things are also okay down on the farm. The dairy farmers got their friends to keep them from any real harm, and late deals sweetened things for the sugar industry.

The elderly and disabled did reasonably well - unless they happen to have had the terrible judgment to be poor. In this case they will probably lose medical help in states unable or unwilling to absorb the loss of

some federal Medicaid money. Some 2 million recipients of Social Security minimum benefits are in for a shock, too. They'll share a \$1-billion cut in their current incomes.

The poor in need of legal help will still apparently get some. The legal aid program survived but with its resources and anthority much curtailed. Food stamp recipients face will be tough for many to take - but since food programs were a major target of the cuts, we suppose it could have been worse.

The working poor, those people trying to earn their way out of dependency and off welfare, generally have been hit from all sides in this legislation by higher rents for public housing, less food assistance, less day care and other help. Poor and handicapped children may get much less special help in school, but the programs will still be there.

Still to be accounted for are all the users of health and other community service programs — everything from family planning to child-abuse prevention. How they fare will now depend primarily on the priorities and resources of the states in which they live.

THE WASHINGTON POST.

Unity by Purge in Iran

Having driven President Bani-Sadr from office, the clerical zealots in Iran are now systematically slaughtering his supporters. About 50 have been executed by firing squads; 30 others have been killed in street battles. But these are only the acknowledged killings; the toll is probably in the hundreds.

This mayhem is a message in cold blood for the Iranian middle classes and armed forces: There will be no tolerance for organized challenge when the "Islamic Republic" elects a new president on July 24.

Thus do the ruling clergy in Iran intend to secure their power and shape a tyranny that will outlive the 81-year-old Ayatollah Khomeini. That much is obvious. What is surprising is that some Iran-watchers now argue. just as cold-bloodedly, that a stable theocratic dictatorship is preferable to the factional conflicts of recent years. A "nonaligned" but murderous unity is held out as safer for the United States than a civil war that threatened the very survival of Iran and risked Soviet advance toward the Gulf.

That argument evades the old problem of

ends and means. Yes, it is always easier to do business with established tyrants — as long as they last. That was the argument made for the shah. It was even made by some on behalf of Stalin.

The first victims of Iran's new justice were the collaborators of the shah, and those who once thought they "understood" the revolutionary passion can now see that terror knows no understandable limits. Next in line for slaughter were stigmatized minorities, notably adherents of the Bah'ai religion. And now the guns have turned on the Westerneducated nationalists, some of whom not only helped to overthrow the shah but sustained Khomeini in exile and loyally supported his takeover.

Violence nourishes violence. With every purge, such a regime makes new enemies, who must be extirpated in turn. To shrug this off, or to see in it redeeming progress toward stability, is to ignore history. What is happening in Iran is infamous and deserves no milder word.

THE NEW YORK TIMES.

In the International Edition

Seventy-Five Years Ago June 29, 1906

Fifty Years Ago June 29, 1931

LONDON - A leader in today's Morning Post reads: "Egyptian justice in the case of the Denshawi outrage has been speedy and decisive. Of the 56 natives charged with an attack on six British officers on June 13, which resulted in the regrettable murder of Capt. Bull and more or less severe injuries to his brother officers, four have been sentenced to death, four to penal servitude for life, three to 15 years' penal servitude, six to seven years' imprisonment, three te one year with 50 lashes, five to 50 lashes and 31 have been acquitted. The outrage and the severity of the sentence are unique in the history of the British occupation."

PARIS - With Paris as the center of developments, the following events yesterday marked the progress of President Hoover's proposal to suspend war debts beginning next Tuesday. The French Chamber of Deputies passed a counterproposal, stressing their firm stand on uncouditional payments, 386 to 189. MM. Laval and Briand discussed with Ambassador von Hoesch what political guarantees Germany might be willing to exchange for the French share in relief under the Hoover plan. And Sec-retary of the Treasury Andrew Mellon and Premier Laval paved the way for a conciliation of



Perilous Dark Days at the Kremlin

By Flora Lewis

PARIS — There are two ways of looking at the Soviet Union from the West. Both invariably are expressed at international conferences and study groups, and they are not necessarily contradictory.

The more familiar one among Reagan ad-

ministration experts is that nearly a generation of steady defense building and the achieve-ment of global power status has made Moscow dangerously expansionist, much nearer to the old revolutionary goal of establishing Commu-nism "in the whole world." The other, heard more often from professional Kremlin watch-ers, is that the Soviet system is facing its darkest days. All experts agree, however, that internal weakness does not assure renunciation of ambition. It could lead to greater prudence or, as history has shown, to desperate diversionary

The key fact, however, is that 63 years after the Bolshevik revolution, the Soviet system has had one great success in building military power and has failed on its promises in everything else. It is almost a generation since Nikita Khrushchev, gleefully rattling the first Soviet rockets, predicted that Communism would "bury" capitalism under mountains of meat and butter. No one in Moscow talks scriously even of catching up in living standards any more. Instead, the Russians and their allies have accumulated more than \$75 billion in debt to the West as they buy technology and food they cannot produce.

Particularly irksome for Soviet officials is

that even in Poland's current economic disaster, most Poles live a good deal better than most Russians. The Poles must learn to pull in their belts instead of baying for the moon, Moscow officials grumble

Hoping for a breakthrough, Khrushchev tried a daring gamble to multiply agricultural production by plowing new but marginally productive "virgin" lands. It failed, and Soviet leaders have not even suggested another reme-dy for the system's most visible backwardness. It is as though they recognized they had run out of ideas that might improve the economy without endangering the power apparatus whose prime goal is self-perpetuation.

Meanwhile, the arms industry eats up re-sources. The main attraction of détente was the chance to divert Soviet resources, and the main burden of the spiraling arms race is los-ing that chance. But that diversion, too, was limited by the internal politics of the trickily balanced Brezhnev regime, mindful of Khrush-chev's fate when the military stamped its foot. In the longer distance, there are serious demographic concerns. Russians are barrely a majority in the Soviet Union. With low birthrates compounded by housing shortages and rising material demands in European areas, Asians will be a majority in the 21stcentury Soviet Union because of their high birthrates enhanced by better public health.

After Three Generations

Moreover, nationalism is rising. Internal passports still distinguish between citizenship (Soviet) and nationality (Russian, Georgian, Uzbek etc.), and ethnic allegiance is what really counts. The leaders have to wonder how to contain these tensions without reverting to to-tal, Stalinist use of force that could endanger their own survival. That is why some analysts fear a decision to create outside conflict in hopes of mobilizing domestic support.

All these issues will be involved when the ailing Leonid Brezhnev finally abandons control. The battle of succession is surely under way, but he has managed to establish a point of equilibrium unlikely to outlast him. After three generations, the issues can no longer be blamed on consequences of an overthrown re-actionary regime or on hostile neighbors pro-moting counterrevolution. Brezhnev's successors face a bleak prospect, complicated by loss of the ideological faith, which once could be invoked to stir sacrifices. There are not many true believers left. The system is there for the

Outside, although Western maps show the immense geography of Soviet power including satellites, vassals, dependencies, the view from Moscow shows trouble in every direction.

the United States is again stressing versary role. American rearmament is likely to create irresistible pressures in the Kremlin to keep up in the one domain where Soviet enterprise has proven competent — especially during a transfer of leadership, when the military has maximum leverage.

China, although weak and strained internal-ly for much the same structural reasons as the Soviet Union, remains irreconcilable. To Moscow, growing military cooperation between Pe-king and Washington is a direct menace. Sec-retary of State Alexander M. Haig Jr. has said that the United States would sell "lethal weapons" to China — a policy change denounced recently as "needlessly provocative" by Cyrus R. Vance, one of Haig's predecessors.

The Third World has grown substantially more nonaligned as its leaders see little to gain from Soviet support except arms aid for dwindling decolonization struggles. The invasion of Afghanistan lowered Soviet standing with Moslems and created a military quagnire that Moscow probably did not expect.

In Western Europe, Moscow may find a lit-tie cheer in the new surge of pacifism and neu-tralism, but this is ontweighed by prospects for new American missiles there. Kremlin leaders can hardly find satisfaction in Western economic troubles now that they are so dependent on Western trade, And there is Poland, seen as a threat on two most critical levels — military communications to East Germany that provide a security buffer on the Western approaches, and the sanctity of Communist Party power. Accommodation of Polish restivess, obviously reluctant, is a clear sign that Moscow feels constrained and beset.

Most of these difficulties are of the Kremlin's making, not the West's. That makes it worse: Correctives cannot be justified by blaming foreign enemies but would require drastic admission of past errors, which could upset the regime. So Moscow's dilemmas are not necessarily reassuring. They could lead to terrible explosions. But if they lead to real change without violence, they could bring the first signs of an evolution in the nature of the regime to the benefit of the Soviet people and

01981, The New York Times.

Iran's Islamic Revolution Continues

By Barry Rubin

WASHINGTON - The fall of President Abolhassan Bani-Sadr of Iran strengthens a regime that has already survived many premature obituaries. Contrary to expectations, this development may produce a less adventurous government in Teheran.

The power of the Islamic Republican Party and its allies is now virtually unchallenged. The elimination of its chief rival for political power, with Ayatollah Ruhollah Khomeini's blessing, gives it a chance to consolidate both its position and its legitimacy as the day draws closer when the charismatic ayatollah leaves the scene.

The institutions established or controlled by the party - the Cabinet, the Mailis, the Islamic courts, well-armed Revolutionary Guards, neighborhood committees, street gangs - permit it a tighter grip on

-Letter -

Communist Protest The results of the French elec-

tions show that Communism is not "aberration," as President Reagan would have us all believe, but a force to be reckoned with. And the comments by Vice President Bush after his meeting in Paris with President Mitterrand, as well as the State Department statement showing irritation with the inclusion of four Communist ministers in the new French government, bear this out.

This indicates that Washington is not at all averse to meddle in the internal affairs of its allies. In my opinion, this meddling, whether direct or indirect, is at the root of the great difficulties Italy is experiencing in establishing a stable government. for in that country the Communist Party is a major and not a minor one.

Had not the United States exerted pressure on Italy, Communists would long have been holding a deserved place in the government. This could have precluded the emergence of the P-2 scandal and the others before it.

That is why it is high time for the U.S. government to realize that the world does not fit into the die cast for it in Washington.

ALEC VLADIMIROV. Novosti Press Agency. Moscow

Iran than outside observers usually

The elimination of Mr. Bani-Sadr, then, is hardly a sign of the regime's disintegration; rather, it demonstrates the Islamic revolutionaries' consolidation ef power. Western analysis should not repeat their mistake of 1979 when, after the shah fell, they believed that only Western-educated technocrats could run Iran and that clerics lacked the necessary political

Peasants, Masses

True, major economic problems - inflation, unemployment, huge budget deficits, and industrial chaos - together with the sputtering war with Iraq, which is being fought mostly in Iran's oil-producing province, threaten Iran's stability. Yet these factors would have to persist for many months before the country was brought close to collapse.

While much of the middle class and many bazaar merchants have turned against the new rulers, the peasants have done well economically and the masses remain loyal. The revolution has not yet run its course.

The removal of Mr. Bani-Sadr also ties Ayatollah Khomeini himself more closely to the party and its supporters. After Mr. Bani-Sadr took office in February, 1980, the ayatollah maintained some balance betwen Mr. Bani-Sadr and the party, supporting each in turn when he felt the rival group went too far. The ayatollah's highest principle was preserving the unity of revolutionary forces, which he saw surrounded by relentless ene-mies. Now that he has only one political force left, unity has come to mean crushing any opposition

While the ayatollah has been reiatively active recently, his age and frailty limit his future influence. The settlement of succession now,

Letters intended for publication should be addressed "Letters to the Editor," and must include the writer's address and signature. Priority is given to letters that are brief and do not request anonymity. Letters may be abridged. We are unable to acknowledge all letters, but value the views of readers who submit

rather than through a civil war between the Bani-Sadr and party fac-tions, has given the militant clergy a full, clear endorsement for their

The military's refusal to inter-vene on Mr. Bani-Sadr's behalf is important. He spent months courting the soldiers and touring the front, but patriotic momentum and Ayatollan Khomeini's personal appeal prevented the troops from marching on Tehran. While high officers will continue to press for a peace settlement with Iraq, the military is likely to remain for the foresecable future a profession-al rather than political force. This renders a military coup unlikely, despite the common Western ex-

By ending factional conflicts as

a major cause of militancy in for-eign policy, Mr. Bani-Sadr's disap-pearance may add flexibility to Iranian diplomacy. When he called for a solution of the hostage crisis, the party outflanked him by escalating support for the kid-nappers. Only after removing him from any involvement with the is-sue did Premier Mohammed Ali-Rajai and his allies move toward a settlement. When the president called for peace negotiations with Iraq, the party made political capital by charging him with softness. Now the clerics have enough power and security to make some hard decisions with fewer domestic incentives for intransigence.

This does not mean any likely rapprochement with Washington or Moscow. The party's leaders take nonalignment seriously and will try to stay equidistant from the great powers. Certainly Ayatol-lab Khomeini will permit no change on this issue.

The party's main remaining enemy is the left, which, although weak and divided, is the only orga-nized opposition. The pro-Moscow Tudeh Party, which is Communist, will hew closely to the Islamic Republican Party to avoid giving it any excuse to smash it. However, the stonger People's Mujahaddin, a group that mixes Marxism and populism with Islam, is moving loward a confrontation with the clergy that it is likely to lose. The response to such a defeat might be a sharp upsurge in terrorism.

New Triumvirute

In the new rolling triumvirate, Ayatollah Mohammed Beheshti the Islamic Republican Party's leader and the chief justice of the Supreme Court, is the strongest figure; the speaker of the Majlis, Hashemi Rafsanjani, ranks seoond, and Mr. Rajai is something of a figurehead. They face huge tasks — the staggering economy, the Kurdish insurgency and the war with Iraq — but they have been demanding power for more than two years and no longer have a scapegoat if they fail to solve these problems.

Iran is unlikely to reject the current style of Islamic fundamentalism until its exponents have been given a full opportunity to govern. One way or another, the hard-liness triumph is a condition for any return to stability.

Mr. Rubin, a fellow at The Center for Strategic and International Studies at Georgetown University, is author of "Paved With Good Inten-tions: The American Experience and Iran" He American Experience and Iran." He wrote this article for The New York Times.

Former Advisers Confer

By Philip Geyelin

ASHINGTON - When the 1980 election returns broke up that old gang of foreign policy advisers in the Carter administration, you might have supposed that would be that — brisk handshakes all around last Jan. 20. No longer would Secretary of State Edmund Muskie Secretary of Defense Har-old Brown and National Security Adviser Zbigniew Brzezinski be struggling to sort out their differences by lunching regularly.

But they are still lunching regularly.

larly two or three times a week, and still taking turns as host. What for? Partly, says Brzezinski, it's a matter of "continuing personal re-lationships."

Another part doubtless has to do with the ties that bind those do with the hes that bind those who have shared power. But a big part of it has to do with immediate, shared concerns. In private life, all three are much in demand as consultants and lecturers, with every good reason to compare notes on current events. Their most recent exchange factured variances. most recent gathering featured re-ports from Brown and Brzezinski on recent European trips. More to the point, as past practitioners, all three share a lively professional, not to say political and even per-sonal, interest in their successors'

There may not be much more agreement among Carter's princi-pal foreign policy and national se-curity advisers now than there was at the close of business. Brzezinski still leans toward the tougher line, with Muskie emphasizing accom-modation and Brown perhaps a bit closer to Brzezinski on the central questions having to do with rela-tions with the Russians.

Opening Fire

But these quiet luncheon consultations may exert considerable in-fluence on the timing, tone and content of a Democratic critique of the Reagan administration's foreign policy that is sure to grow in tensity in coming months.

Not the least of the questions for those who held policy-making jobs is how soon it becomes appro-priate to open fire. Tradition calls for allowing successors a period of grace. (Cyrus Vance has already cut loose with a direct attack on the Haig-Reagan arms sale arrangements with Peking, but he is somewhat further removed from his official role by reason of his resignation as secretary of state more than a year ago.)

A more intriguing question for those most recently in high office is whether, the way they see things moving, there will be all that much in the Haig-Reagan practice of for-eign policy that they will want to take issue with — even after a decent interval.

"When you discount the rhetoric," says Brzezinski, "they are moving from the extreme right to the middle of the road." While he would not claim anything like an identity of views between Haig and Muskie, he insists that in some important respects "they're mov-

ing our way." Brzezinski, for example, finds the Reagan administration "tougher" on the Russians than he was, or would be now. But he agrees, and Brown confirms, that in the agreement on case-by-case approv-al of sales of lethal military equip-ment to China, the new administration is doing pretty much what the Carter administration would have done — "only we wouldn't have pumped it up so much."

Palestinians

In the case of El Salvador, he says the Carter administration would never have made such a hig East-West confrontation out of it; but on the essentials, he sees the Reagan military aid program as a continuation of Carter policy.

The Haig preoccupation with "strategic consensus" and a U.S. military presence in the Gulf, Brzezinski thinks, is consistent with the Carter Doctrine. Increasingly he sees evidence of acceptance by the new team of a necessary interconnection between Gulf security and progress on the Pales-

In brief, he sees bad starts (mostly rhetorical) but the beginnings of good recoveries - in the direction of Carter policies. A no-table exception: what he considers a dangerous de emphasis of arms control at the risk of alienating Atlantic allies.

He has other serious criticisms. having to do with the policy-mak-ing "process" as well as substance. "But there were more Carter breaks with Ford." Brzezinski says, "than there seem to be Reagan breaks with Carter."

Brown (and Muskie still more so) might agree only in part. But pride of authorship is a significant. force in these matters. And my, sense is that all three would agree on at least the strong possibility that as things shake down they may find more to claim original authorship for — and less to attack,
— in the "new directions" of
Reagan foreign policy.

6/981, The Washington Past

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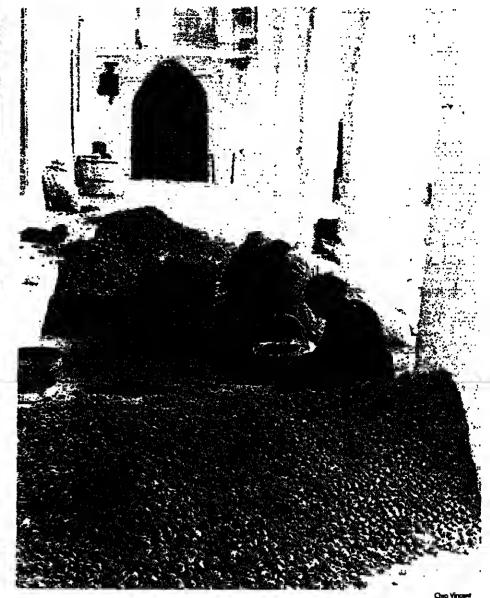
Chief Editorial Writer

مكداس لفيل





The marvels of Greece include not only its antiquities, such as the Stoa of Attalos at the Agora in Athens (being visited by tourists above, center) but its people: A woman from Crete (above left) fetching water from a village spring; cafe cronies soaking up some sun (lower left); a member of the evzones (above). the armed services elite, during the changing of the guard at the Tomb of the Unknown Soldier in Athens' Constitution Square, and (right) an almond husker plying his trade in the Peloponnesus.



EEC Entry Has Created Uncertainty On Economy

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Palestinia.

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A THENS — Despite government optimism, many Greeks, in a time of mild recession and economic uncertainty, are unsure about the long-term effects that entry into the Euro-pean Economic Community will have on the

Government spokesmen insist that the over-all effect will be beneficial. Full membership in the EEC, they say, will have a salutary effect both on economic performance and on the country's financial institutions.

Six months after Greece became a full member, there is widespread agreement that it is too early to correctly assess the full impact of membership. But many observers, Greek and foreign, believe that the shock of adjustment will be significant — particularly with regard to the less competitive parts of the industrial sector - and could even aggravate some of the

country's economic problems.

It is widely recognized that, from the point of view of both Athens and Brussels, Greek membership — coming after a 19-year association — was in large part inspired by a strongly felt need for a permanent link between post-dictatorship Greece and the West.

But the idea was also to integrate Greece into the more industrialized West European "rich man's club" and on this point there has been somewhat more skepticism. In the first months of membership, "the EEC has been very kind," said a Western diplomat who spoke of extended deadlines and enough Common Market payments to make the country a net beneficiary in 198), which is also an election year. "The problems," he added, "will come later."

In fact, the antiquated structure of the

Many observers, Greek and foreign, believe that the shock of adjustment will be significant — particularly with regard to the less. competitive parts of the industrial sector -- and could even aggravate some of the country's economic problems.

Greek market, the country's labyrinthine and unresponsive bureaucracy, its administrative backwardness, fragmented agriculture and an industrial base that is far weaker than those of its nine partners are thought by some to make significant change unavoidable.

Those most worried fear that a painful adjustment could increase the relatively low unemployment rate and the high inflation rate, now twice the EEC average. Since Greece joined the EEC in January, in fact, the opposi-tion Socialists — who would like to hold a referendum on the subject - have blamed the accession for price increases for meat and other foodstuffs. In the industrial sector, the country's steelmakers have accused the government of importing the EEC steel crisis into Greece and of failing to protect them from harsh European compenition.

One problem has been that full entry into

the EEC has come at a time of difficulty for the national economy. After decades of dynamic growth, the Greek economy has, since 1978, been in a period of stagflation, the term economists use to describe an economy suffering at the same time from stagnation and infla-

Growth Rate Down

Last year, stringent monetary and fiscal pol-icies at home combined with a general interna-tional economic slowdown to bring the 1980 growth rate down to).9 percent from 3.9 percent the year before. In addition, productive investment continued a six-year slump that has been compounded by uncertainty over the country's economic course should the Socialisis come to power after the national election Chief Editard

Last year, furthermore, the inflation rate went above 25 percent — the highest in the EEC — for the second year in a row. Coordination Minister lannis Paleocrassas predicts a mild recovery this summer, but growth for (Continued on Page 10S)

Herald Tribune

JUNE, 1981

GRECE

A SPECIAL SUPPLEMENT

Oil Production Trims Import Bill

By Gerard Castoriades

A THENS — Greece became the world's newest oil producer in May when a consortium of largely Canadian and U.S. companies delivered the first barrel of Aegean crude at a ceremony attended by President Constan-

The oil is from Prinos, an offshore site near the holiday resort island of Thasos, in northern Greece. The discovery of oil in 1973 began a still unsettled dispute with Turkey over exploitation rights in the Aegean scabed.

Production from Prinos will average 30,000 barrels a day, or 1.3 million tons of (low-quality) crude per year, enough to cover 8 percent to 10 percent of Greece's annual consumption, currently 12 million tons. An additional 5.6 million cubic feet of natural gas will be produced daily from an adjacent site.

The Prinos site will help check further major increases in the country's expenditures for oil. Until May, Greece was importing all of its oil. Although Industry and Energy Minister Stefanos Manos claims, justly, that "Greece is using less oil than Ireland" and that "consumption per capita is the lowest in Western Europe," this is mainly because Greece's small population requires less oil for heating than the rest of Europe. With Italy, Greece is one of Europe's most oil-dependent countries, and is likely to remain so for years to come.

Rising Oil Bill

Imported oil accounts for 71 percent of overall energy consumption (29 percent being covered mainly by hydroelectric power), against an average of 54 percent in the European Economic Community. The country's energy vulnerability is evident: Its oil bill has risen fourteenfold since 1973 "to \$3.6 billion this year," Mr. Manos said, adding that it "eats up more than three-quarters of total revenue from exports" (\$4.2 billion this year).

The additional production costs from more

expensive energy also represent a serious threat to scores of small- and medium-size ex-port-oriented industries. "If we wish to increase our annual growth rate beyond the current level [of 1.6 percent], the cost, in terms of oil imports, will be tremendous," Mr. Manos

Only recently did the government truly realize the danger of allowing Greece to slip be-yond a point where its oil dependence could make it an easy target for oil blackmail. A warning came last February when Libya — which covers 10 percent of Greece's needs briefly interrupted crude deliveries in "retaliauon" for the granting of political asylum to a defecting Libyan pilot. Foreign Affairs Minister Constantine Mitsotakis was forced to supply Libya with "explanations," to settle the is-The cost of oil eventually led the govern-

ment to have a closer look at the situation, and to begin implementing a 70-page plan for an energy policy drawn up by the National Energy Council (NEC) in 1977. The plan calls for intensified exploration for local oil and gas deposits, industry utilisation of Greece's large lignite deposits as a substitute for liquid fuels, the improvement of energy efficiency in production and heating, and better exploitation of hydroelectric power. Biomass and solar energy will also be part of an attempt to diversify from oil and gas. This year, however, priority has been given to oil and gas exploration.

Disputes Settled

Following the settlement of disputes over contracting terms between the state-owned Public Power Corp. (PPC) and the North Aegean Petroleum Co. (NAPC), which is in charge of the Aegean drillings, production be-

NAPC (formed by Wintershall of West Germany, White Shield of the United States, Denison Mines of Canada and Hellenic Oil, the Greek subsidiary of Fluor of the United States) will get 35 percent of profits, and PPC 65 percent. PPC will pay hack with oil the

The Aegean does not appear to contain the large quantities of oil originally suspected when NAPC struck the Prinos find. But more promising deposits have been located in the Ionian, offshore between the islands of Paxoi and Zakinthos, facing Italy.

NEC Director Christos Aronis said that oil deposits were under a submarine salt table several miles deep, and as solid as concrete, which makes drilling extremely difficult. Nevertheless, AGIP-ENI of Italy won a bid for exploration acreage there in May against 18 competi-tors, 10 of which were companies from the United States, and has been given two years to

make a commercial find.

AGIP-ENI will spend \$30 million in exploration, and another \$30 million to build an oil rig, indicating the government's belief in the existence of commercial deposits. Other oil deposits have been turned up south of Crete hut, at depths of more than 7,000 meters, they would require costly investments.

Meanwhile, Greece this year took another

\$500 million that NAPC has already invested in drillings.

The Aegean does not appear to contain the tend to Greece the Algeria-)taly submarine trans-Mediterranean gas line.

"The next step," Mr. Manos said, "is to start mining lignite deposits, and substitute solid fuels to oil for electricity production. This should lessen the dependency on oil for elec-tricity production from 40 percent now to 2 percent." He added that this may take 10 years or more, "and will require investments of \$20 billion, which is enormous by all Greek standards." He also said that lignite deposits, if mined, would not last beyond the year 2020.

In the meantime, he said, Greece will go ahead with a project to build a nuclear power plant. The size of the plant t500 to 600 mega-watts) should not exceed 10 percent of electric power requirements, he said. The selection of the site has been postponed for at least six months, however, after a series of earthquakes in February and March that raised questions over the safety of building nuclear plants in

Nation's Voters Focusing On Possible Political Shift

By Sari Gilbert

A THENS — The word — allaghi — is on everybody's lips. These days, in fact, most politically involved Greeks say that what they want, or at least what they expect from the elections next fall, is allaghi, that is,

The consensus is that when the voters go to the polls, for the first time since 1977, the conservative New Democracy party - in power since the fall of the military dictatorship seven years ago — will probably lose its No. I posi-tion to Pasok, the Panhellenic Socialist Movement headed by Andreas Papandreou.

Because of Greece's strategic importance for

the Atlantic alliance, the prospect of a Papandreou government is of some concern to Western governments who fear that the Socialist leader may make good on his long-standing anti-NATO threats. Conservative Greeks are worried by his plans for economic "socialization." Pro-Western groups are disturbed by his supposed "Third World outlook," and some others are troubled by the U.S.-trained former economist's reputation for unpredictability or

by his party's alleged general lack of expertise.

But there is general recognition that international events - particularly the sweeping vic-tory in France of Francois Mitterrand's Socialist Party — and persistent economic and social problems at home make the party, now Greece's second-largest, a probable winner.

Campaign for Change

"The rule of the right is coming to an end." said Leonidas Kirkos, the widely respected leader of the tiny Eurocommunist party, who points out that, although their long-term goals are considerably different, all of Greece's centrist and leftist parties will be campaigning for change by calling for the defeat of the right. But both conservative and liberal politicians, as well as many foreign observers, agree that, by successfully presenting itself as the only real vehicle for change, Pasok is likely to be the primary beneficiary of this widepread desire for reform.

But it is uncertain whether, if they win, the Socialists will get an absolute majority in the



Constantine Caramanlis

single-house, 300-member Parliament, In 1977, Greece's skewed system of proportional repre-sentation enabled New Democracy to win 175 seats with only 42 percent of the vote.

At Pasok headquarters in central Athens, party militants seem to have few doubts. In 1977, the party doubled its strength to win 25 percent of the vote and 93 seats in Parliament. And although their accuracy is questioned several recent polls predict that the party could win between 40 percent and 42 percent of the vote despite a large group — between 10 per-cent and 15 percent — that describes itself as

Some observers caution that New Democracy has time to "pull its act together." But the Socialists are confident. The party's worst-case scenario is now one in which their majority would be too slender. But since Mr. Papandreou is convinced that coalition government would interfere with the full implementation of the Pasok program, a party spokesman said, the 62-year-old leader would probably push for a second election in which he would ask voters to give him an absolute majority.

The party's confidence derives both from the current mood and the fact that it is armed with a lot of political ammunition against the New Democracy government of Premier George Rallis.

Following the fall of the military junta in 1974, voters reacted with enthusiasm to New Democracy and its leader at that time, Constantine Caramanlis, sweeping them into power with 54 percent of the vote. But three years later the party's majority had fallen to 42 percent and some recent polls have forecast a further drop this year, perhaps even to below 30 percent

One reason is thought to be the government's failure in recent years to deal successfully with both a mild economic recession and an inflation rate of more than 25 percent. But, a New Democracy politician said, most of the party's attention went to several major post-dictatorship issues like "dejuntatication," Cyprus, the European Economic Community and more recently reintegration into the mili-tary structure of NATO.

Social Issues

Referring to inflation, pollution, an uneven distribution of wealth, over-centralization and the predominance of privilege over bureaucratic impartiality, he added: "We neglected the socially explosive issues that the Socialists are now seeking to exploit." He said, however, that he still believed New Democracy would end up preserving its traditional lead.

Certainly, Pasok's program calls for sweeping changes in education, taxation, local government, hureaucracy and foreign policy. "But we do not plan to change the entire society in 24 hours," a party official said. "We will have to establish priorities," he added, pointing out that at present Pasok believes that immediate attention will go to inflation, reorganizing the school system and raising pensions. Another problem high on the list, he said, was a longneeded reform of the country's hospitals and its national health system.

But it is precisely the vastness of Pasok's program that makes some Greeks wonder how the party will fare at day-to-day governing, There will be an explosion of popular demands that Papandreou, despite his undeniable intellectual abilities, may not know how

(Continued on Page 8S)

Crime Level Is Among Lowest

A THENS — In late afternoon in this bus-tling capital, the streets are thick with passers by and shoppers, yet the doors of the new white Volkswagen are left unlocked, a jacket thrown carelessly across the backseat.

A visiting reporter with no Greek accreditation is easily admitted by the solitary porter on duty, no questions asked about idenuty, to a briefing by the foreign minister. Outside the cream-colored neo-classical building a single uniformed policeman casually

At night, a female professor tranquilly walks the 10 blocks home from a late-night meeting. Now and then a passing man proffers a half-hearted invitation, but in a society almost without rape there is little sense of alarm.

The fact is that after 30 years of rapid urbanization on a major scale — which else-where has often been associated with increasing violence - Greece still has the lowest crime rate in Europe and one of the low-est in the world. Its prison population is relatively lower than in any other European country except the Netherlands.
In 1979, the last year for which statistics

are available, there were 108 arrests for homicide, nine less than the year before, when the murder rate was 1.3 per 100,000 - it was 8.8 in the United States and 3.8 in Italy. In recent years, it is true, the crime rate

has been slowly growing. For example, in 1979 there were 120,281 convictions, against 114,063 in 1975. And the number of arrests rose to 294,056 from 184,865 four years earli-

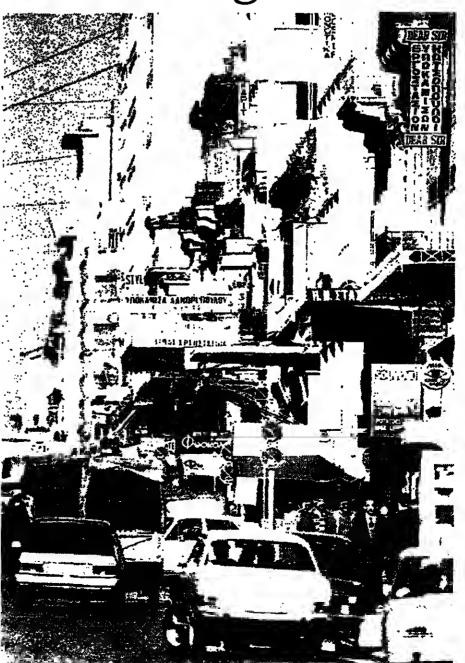
But the overall rate of arrests is still so low — only 3,115 per 100,000 against almost double that in the United States — that when asked about crime, Greeks still mention a 1978 jewerly store robbery in which a saleswoman was brutally beaten. With political violence almost nonexistent

- a sharp contrast to Italy or to Turkey before the military coup last September — recent firebombings of several large Athens department stores have been greeted with shock, horror and almost disbehef. "This is not Greek behavior," an Athenian

politician said after two firebombings in central Athens recently.

In general, in fact, Greeks find violent crime so disturbing that they appear to take solace from the belief that foreigners have been responsible. Thus, many Athenians appeared willing, if not eager, to believe a communique claiming responsibility for the

(Continued on Page 9S)



Downtown Athens: Relatively peaceful growth.

New Image Sought for Shipping Industry

GREECE



AMERICAN COMMUNITY SCHOOLS OF ATHENS

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- Music Center, Cafeteria, Computer Center Excellent university admissions record (U.S.A. and Europe)

Community on Jan. 1, Greece has been trying to improve the image of its large shipping industry as well as to defend its interests in the context of the Community's com-

mon shipping policy.

The Greek-owned fleet, the largest in the world with 3,870 vessels totaling 50.4 millions tons gross (41.6 million tons of which is registered under Greek flag) has never been renowned for its high safety standards or the youth of its ves-sels. But recently both the Ministry of Merchant Marine and the Un-

ion of Greek Shipowners (UGS) A THENS — Since its accession have been trying to set the record straight on what they believe to be unjustified, biased and often unfair criticism

The first steps were taken earlier this year by the UGS, whose delegations to the EEC authorities in Luxembourg and Strasbourg emphasized its views on various shipping issues including safety, the role of cross-traders and anti-pollution measures.
The addition of the Greek fleet

to the EEC tonnage gave the com-munity a boost, bringing to 26.4 percent its share of the total world tonnage. It also gave a new flavor to Community shipping discussions, since Greece, unlike other member countries with the exception of Britain, is almost totally engaged in cross-trading. Nevertheless, the Greeks feel that their tonnage complements rather than competes with the rest of the Community's shipping industries, and have been incensed at the criticisms of their fleet.

Aristomenis Karageorgis, the UGS president, said, "It's true that we don't have a fleet which was huilt yesterday. On the basis of sheer numbers alone, Greece is bound to have more older ships than other countries. In part this reflects the lack of depreciation allowances that would encourage the purchase of oew ships. But it also reflects the social structure of the Greek shipping industry, which be-cause of its fragmented ownership is different from that of any other **EEC** nation

The union's statistics, presented to the Europarliament, show that at the end of 1980 more than 63

years old. Of these, 13.6 percent were ships up to 5 years old, 22.3 percent ships from 5 to 10 years and 27.2 percent ships between 10 and 14 years. According to the minister of merchant marine, Ioannis Fikioris, in fact, Greece has more ships less than 10 years old than any Community country

except Britain. As far as safety is concerned, the Greeks have reacted sharply to re-cent criticisms, such as that by British opposition shipping spokesman Stanley Clinton Davis, who said that Greece would lower

EEC standards." Mr. Fikioris pointed out that the type of trading engaged in hy most Greek vessels — 95 percent of the Greek tonnage is tramping — is the field in which ships are most susceptible to damage. The Union has also pointed out that statistics refer to total losses and do not differentiate between real total losses and constructive total losses, where the cost of repairing exceeds the insured value of a vessel. The union adds that, all things being equal, fleets with more old ships will have more constructive total losses because of the vessels' lower

Foreign Exchange

Shipping remains Greece's top foreign exchange earner, substan-tially helping to alleviate the counof the Greek population, is expected to bring an estimated \$2.5 billion into Greek coffers.

Given their important role in the economy, Greece's shipowners clearly intend to have their say in the formulation of a common EEC shipping policy. While the other Community countries' fleets have dwindled in the last two decades, Greece's tonnage has doubled, and the Greek owners are not about to be pushed into abandoning their tried and tested recipes for success

Mr. Fikioris recently backed their criticism of the Unctad liner code, which calls for a cargo sharing system that gives 40 percent of goods transport to the country of origin, 40 percent to the recipient country and leaves only 20 percent for cross-traders. "The Greek mercantile marine is against protective measures in shipping and especially those by which cargo guarantees ry those by which cargo guarantees are made in favor of a specific flag," he said. "In general, Greece opposes every agreement by which the participation right of cross-traders in transport, and more specifically in bulk transports, is pre-

In the meantime, long-plagued by the tag of "fly-by-night" opera-tors, the Greeks are struggling to improve their overall image. Greek owners are now solidly behind proposed safety regulations and anti-pollution measures, and last year the country became a foundermember of the International Mari-

Greek owners, is also pushing for

Greek Tycoon

THENS — Unlike the late Aristotle Onassis, he shans the press and the public. He lives between Athens, Geneva and Jidda, moves around in a private jet and runs his business empire. like a naval college, under the guidance of retired Greek Navy

His name comes up frequently when big business deals are discussed in Greece and much of the Middle East. And in "The Shipowners," a current-running satire on Greek tycoons by play-wright Dimitris Kollatos, now showing in Patission, the "Broadway" of Athens, shipowner and oil magnate John Spiros Latsis, 71, tops the list, coming under fire through much of the play because of the influence he is said to enjoy within the inner circles ruling Greece, of the way he is reported to have built up his fortune and because of his controversial backing of the 1967-to-1974 military inner

John Latsis is the new Greek tycoon. He has overshadowed Onassis, Niarchos and Goulandris. True, he made his debut in the Middle East in the 1950s by providing shipping for Moslem pilgrims. But it was under the junta that he signed his first big deal: to build Greece's third oil refinery, a 195,000-barrel-a-day plant at

Elersis, in the Athens vicinity.

Mr. Latsis won the contract for the \$121-million plant over oil. and tanker magnates Stavros Niarchos and Aristotle Onassis. The colonels, it was said, had rewarded their staunchest supporter, for Mr. Latsis had been making lavish contributions to their pet projects, including the building of a new cathedral in Athens.

Since then, however, Mr. Latsis has played a significant role in helping Greek relations with Arab oil producers in the Middle. East, good enough to have so far spared Greece the hardships of oil embargoes and cuts in supplies of crude. He is known to have established an unusually good relationship with key personalities in the Sandi government and royal family. Last August, be won a \$2.6-billion contract to build and run an oil refinery in Rabigh. Saudi Arabia.

Mr. Latsis owns Petrola International, a group that includes shipping lines, shippards, construction companies and refineries. He is often seen in Jidda on his yacht, the Margarita, Petrola's floating Saudi headquarters, dressed in seafaring cap, blazer, white trousers and sneakers.

A veil of secrecy is drawn over his business empire. Occassionally, some light is shed on the more daring of his operations. One example was a plan, eventually shelved, to buy a refinery in Cana-

da and tow it to Saudi Arabia.

Mr. Latsis' approach to doing business is reminiscent of U.S. oil magnates at their most abrasive. However, his taste for the unusual — and risky — deal has won him respect in the industry's establishment.

He brought off one such deal at the height of the Lebanese conflict, m 1976. Saudi Arabia had promised to deliv-er oil to the troubled port of Sidon, and approached major oil and shipping companies to freight the supplies.

After assessing the risks of entering Lebanese waters with

a tanker loaded with fuel and gasoline, the major companies refused. At this point, Mr. Latsis offered to do the job for no more than its cost and, to drive the point home, per-sonally sailed with the tanker

337

on its voyage to Sidon.
One day in 1979, after touring Mr. Niarchos' new \$3-milion yacht, Mr. Eatsis reportable and a side of the side of edly took out his checkbook. bought the ship on the spot for twice its value and a few days later gave it to King Khaled of Saudi Arabia. - GERARD CASTORIADES

try's balance of payments deficit. Last year, Greek shipowners ime Bureau — a type of marine Interpol to fight maritime fraud. The Shipowner's Umon, which represents 2,100 of the 2,600 agreed to drum up an extra billion dollars, pushing the "invisible" carnings from the industry to more than \$2 billion. And this year the industry, which directly or indirectly supports about one-twelfth -Voters Focusing on Possible Political Shift-

(Continued from Page 7S) to deal with," an internationally known Greek businessman said. A trade unionist with pro-Pasok

sympathies said, "Pasok has promised so much that afterward there will inevitably be disappoint-ment." He added that the party lacked technicians with real political stature. They could use around 400 mini-Papandreous," he said, particularly to deal with the better-organized hard-line Communists, the KKE. The KKE, Greece's third-largest party, is expected to increase it share of the vote from its current 9.7 percent,

Both critics and well-wishers also believe that after an electoral victory Pasok could find itself suf-fering from internal strains. Not all observers would agree with Mr. Rallis' recent statement that Mr. Papandreou "cannot control his party's fanatical left wing." But

there is no doubt that the party's supporters and sympathizers in-clude both dichard Marxists and liberals closer to the Greek centrist tradition who, once the party is in power, could find coexistence dif-

In addition, observers believe that Pasok's need for the support of the centrists, thought to make up the bulk of Greece's floating vote and its undecided voters, may account for a recent moderation in Mr. Papandreou's rhetoric.

He still insists that Greece's recent accession to the EEC "exacerbates the country's crucial eco-nomic problems" but says that he would leave the final decision to a popular referendum. And he has toned down his anti-U.S. and anti-NATO stance, making it clear that whatever happens he will not take steps that would damage the pre-

Like many Greeks, Mr. Papan-dreon appears convinced that the major threat to Greece comes from Turkey. The obsession with Turkey that runs through Greek for-eign policy, combined with past re-sentment of the NATO alies for their failure to intervene and stop the 1974 Turkish invision of Cyprus, makes Mr. Papandreou'a long-standing opposition to NATO membership a popular motif in Greece. Nevertheless, a party militant said earlier this month, the election campaign will focus on domestic issues and not on foreign policy.

Some observers believe that the decision to play down the NATO issue reflects Mr. Papandreou's realization that if elected he will have some thorny foreign policy problems to deal with. Complex

negotiations with the United States for a new defense cooperation agreement broke down on June 18, meaning that the status of the four U.S. bases in Greece will have to be renegotiated by the government after the elections. Last fall, concessions by both Greece and Turkey resulted in the former's reintegration into the

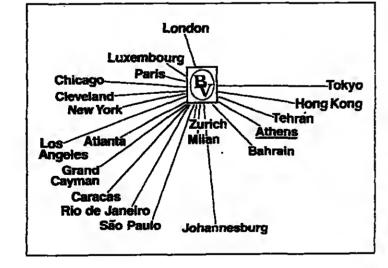
NATO military wing, which Greece left in 1974 in protest over the Turkish invasion of Cyprus. But this left the problems of the bases, which are still operating under the terms of a 1953 agreement despite the fact that that accord was recognized as outdated when a new agreement, initialed but never ratified, was reached in 1977. The negotiations reportedly broke down over the question of a "onetime" bonus list of sophisticated equipment that the United States

PUBLIC POWER CORPORATION

Details concerning the Energy situation in Greece

MAY, 1981.

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OUTLINE OF THE EXISTING ENERGY SITUATION:

Our country's Energy needs are covered by the following three primary sources of supply:

- Liquid Fuel.

-Solid Fuel, and

- Hydrodynamic Energy.

The total consumption of primary forms of Energy is currently covered by 25% from local resources (Lignites and Waterfalls), and by 75% from imported Energy mainly comprised of Liquid

Approximately 36% of the total consumption is utilized for electricity production, which is obtained by about 45% from Lignite, by 16% from Hydrodynamic Potential, and by 36% from Petrol. A very small proportion, about 3%, was obtained through connections with the distribution networks of neighbouring countries.

Energy (in all its forms, i.e. Liquid Fuel, Electricity, Gas), as made available today for consumption, is absorbed 43% by Industry. 27% by the means of Transportation, while 30% is used for domestic and other purposes.

ROLE OF PUBLIC POWER CORPORATION

The developments which occurred over the last few years, led, as expected, to a re-arrangement of aims and objects of the entire economic policy of Greece. As far as the Energy policy is cuncerned, the basic objects—the pressing objects one could say-are the following:

- Utilization up to the highest possible degree for the local Energy resources;
- 2. Research and effort to obtain new local Energy resources; 3. Proper use of Energy, avoidance of waste, appropriate methods of selection.

The Public Power Corporation, in its capacity as the responsible State Agency for the production, transportation and distribution of electric Energy, has undertaken the main task of implementing these objects. This is aimed at not only through the planning and execution of the appropriate Energy projects, but also through a program for the development of new Energy sources, cooperating for these works with other appropriate Agencies, according to requirements.

Utilization of local Energy sources is in progress along with the implementation of the P.P.C. Program for the execution of Lignite and Hydroelectric works to the extent permitted by the confirmed Lignite deposits and the recognized Hydrodynamic

However, the research for, and efforts to obtain, new local Energy sources, is the object of an intensive program processed by the Public Power Corpration in cooperation with State Organizations (e.g. the Institute for Geophysical Studies), Designers/Cooperators (Hydrodynamic field), or Foreign Special Advisers (in the Geothermic Field).

ENERGY BALANCE 1980

	Mill. Tons Petrol Equiv.					
A.	Primary Form Consumption					
1.	Locat Production	4.0	24.7			
2.	Net Importation	12.2	75.3			
3.	Total Communition	16.2	100.0			
B.	Electricity Production					
4.	From Solid Foel	2.63	44.5 ·			
5.	From Liquid Fuel	2.13	36.1			
6.	From Hydraulic Energy	0.97	16.4			
7.	Importation of Electric Energy	0.17	3.0			
8.	Total	5.90	100.0			
9.	Ratio (8) to el		- 364 -			

P.P.C. PROGRAM

In accordance with the Energy policy followed in Greece, in the procedure for the selection of new production plants, emphasis is placed on the need for the utilization of local Energy sources, which are essentially Lignite and Waterialls. For the decade 1980-90, the existing Lignite deposits justify the installation of new plants, which are expected to cover, in conjunction with Hydroelectric Stations, the increasing need of Energy, substituting at the same time the Energy production from Petrol.

Considering that by the above-mentioned program, and on the basis of the existing known Lignite deposits, the possibility of establishing additional Lignite units is completed. Greece, in order to meet its long-term needs for electric Energy, is: compelled to have recourse, with effect from the end of the decade in question, to Atomic Energy and Coal importation.

It is therefore to be noted that towards the end of the ten-year period 1980-'90, in the network system the Electric Energy to be produced from Petrol will be restricted to about 2%, whereas the local resources will contribute 86% of the total consump

No doubt, the forthcoming years will not be free from difficulties. A lot of work and a lot of money will be required in order to accomplish the program outlined. Which will attain, almost entirely, the elimination of the Petrol "stress" connected with Electric Energy production.



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GERARD CASTON

GREECE —

Rallis Keeps Cool Amid Rising Uncertainty

Has Some Problems MOUNT ATHOS — Mount at Athos, or the Holy Mountain, as the Greeks call it, is one of the world's oldest Christian comtempt for the Wistern Christian churches seen as heretical and contempt for the Wistern Christian churches seen as heretical and contempt for the Wistern Christian munities and the only one with an churches, seen as heretical and corrupt, persists today.

'Gateway to Heaven'

Dating to the seventh century, the community of monks and hermits is struggling to remain a bastion of Christianity. Yet its 1,400 The most pressing problem is material survival — how to maintain the remaining 20 main monasteries and the 1,700 auxiliary buildings. There are 300,000 square feet of frescoes, 20,000 icons, 13,500 Greek manuscripts and a vast collection of relics and

The Greek government, which has political jurisdiction over Mount Athos, gives the monks about \$300,000 annually for their basic needs, but this is hardly sufficient. Monks resort to subsistence farming, timber-trading and through theft, decay, earthquakes and fires; unchecked incursions of tourists and, not the least annoyrent from properties outside

Mount Athos. A main bope comes from a \$1million grant being considered by the European Economic Community, to be used for restoration, within the framework of regional

development support for Greece. Another problem is the community's replenishment, although a drive for recruits has been encouraging. A Salonika University report shows that the number of monks has risen to 1,400 from a low of 1,146 in 1972. Most are Greek, although 20 percent are of Russian, Bulgarian, Romanian or Serbian origin and there is a sprinkling of West Europeans and Americans. The average age is 49,

suffered from the upheavals of the down from 61 a decade ago. The community's political philosophy is anti-Communist, anti-Vatican and in general critical of After the split between the Western and Eastern Christian

A Mt. Athos monastery perched on cliff edge. peatedly protested religious per-secution in the Soviet Union. It has also been critical of Greece's

ties with the Vatican. Mount Athos softened its opposition to EEC membership after on Orthodox mysticism. Community officials visited the Holy Mountain and assured it that its special status would not be touched by Brussels. Such a provision was incorporated in the Greece-EEC Treaty of Accession.

'Orthodoxy or Death'

impure in their Orthodox faith. In still lighting the way, as we have Western and Eastern Christian the more open-minded Greek the last two years, police have been done for centuries."

Churches, Athos also often found church and government, The Holy called in on several occasions to —PAUL ANASTASI

Council, a governing body of 20 deal with skirmishes between annually elected abhots, has re- Zealots and moderates in their tus-

sle for control of monasteries. Religious experts say that the Zealots feel threatened by the new membership in the EEC and its re-cent establishemni of diplomatic lrave more "European" ideas such as advocating practical good-deed

Despite the problems, the Mount Athos elders are confident. French-educated Vasilios Gountikakis, the abbot of the 10th-century Stayronikita monastery, explains that Mount Athos provides society with a means of raising the individual out of his misery to The monks are also internally higher spiritual levels, "For the politicized. The Zcalots, a hard-core group of about 300 monks way to heaven," he said. "For the with a slogan of "Orthodoxy or rest of the world, we are a light-Death," regard the other monks as house, battered by the waves but

nomic recovery and a slowdown in inflation. And although he was pessimistic about the possibilities that agreement could be reached now with the United States on a new bases agreement Italks were officially suspended on June 18). he feels that his government will

Greek national interest.

"wrapping it in corton wool so you

Outside, despite the early sumthe nation for seven years.

But the premier seems decidedly optimistic. As the third premier in many generations of the Rallis family and with 30 years of political activity to his credit, he no doubt has a gift for political glib-ness in his blood. But the calm and optimism, tempered by an unusual and refreshing — tendency loward honesty, are clearly genu-

disappointed a certain number of voters, and the "myth of change" prove damaging. But New Democcentrist support, but because, the premier insists, in recent months

development plan is responsible for a halt in the rural depopulation that in recent years has made Athens the home of about 40 per-

trols of the village exercised by family members, friends and even

shopkeepers are reproduced in city

neighborhoods." she said. Other reasons are Athens' generally good housing, its relatively high standard of living and a hidden economy that along with significant economic development has kept unemployment levels lower than in many other major urban centers, Mr. Allen said.

A warning note is that rapid so-cial change is bound to have nega-tive effects. "As urbanization continues," Dr. Spinelli said, "there is bound to be some breakdown of traditional family relations and a consequent increase in the anonymity of city life."

-SARI GILBERT

ice in the Greek Parliament building in central Athens. Premier George Rallis, 62, is the picture of steadiness and calm.

mer heat, the mood is one of impending change. Many Greeks appear convinced that, after the elections next fall. Andreas Papandreou's Panhellenic Socialist Movement will replace the New Democracy party, which has fed

Inevitably, he said, after years in office his party is bound to have that has developed could certainly racy, he believes, is still likely to come out on top — not only be-cause it will probably absorb a large part of the votes (7 percent) that in 1977 went to the far right National Front, as well as some there has been some real improve-

Development Plan

In his view, a regional economic

A THENS — A politically passionate people. Greeks tend to be excitable. But seated in his air-conditioned, wood-paneled off
THENS — A politically passionate people. Greeks tend to be excitable. But seated in his air-conditioned, wood-paneled off
air-conditioned, wood-paneled off
THENS — A politically passionate people. Greeks, Current statistics, the believes, indicate a possible economic recovery and a slowdown in inflation. And although he was although the was although Mr. Papandreou on this, questioning the emphasis that the latter gives to the so-called Mitterrand effect, when in fact the new French president is clearly "more pro-Western than Giscard" (former President Valery Giscard d'Esta-

have made clear its defense of the ing, defeated by Mr. Mitterrand). Some Greeks would challenge Eager to woo support from both the center and the left, the Social-Mr. Rallis' arguments: Chances of economic improvement in the ist leader — whose party is strong-ly anri-NATO — has, Mr. Rallis coming months are slim, the bases issue could prove a boomerang said, been avoiding the issue, and the premier's recent tour

through Thrace was marked hy

crowds during a similar tour. But Mr. Rullis' optimism may

also reflect clanges within his party. A year ago, the former lawyer, a strong opponent of the 1967-1974 military dictatorship, was elected party leader over Defense Minister Evangelos Averoff by a narrow margin of 88-84. Although he had previously held several important ministries, he was thought likely to be constantly overshadowed by the strong-willed departing premier and current presidenL

Constantine Caramanlis

-SARI GILBERT

ATHENS FESTIVAL 1981

Level of Crime Remains Among the Lowest in the Western World

unbroken history today.

Dating to the seventh century,

residents face their hardships with

the confidence that they are God's

select few, guarding what they call

The autonomous monastic com-

munity, covering about 225 square miles in an isolated mountainous

and forested peninsula of northern

Greece, is beset with problems. These include internal dissension;

financial worries: deterioration of

the community's art treasures

ing, the presence of women, who still sail within sight of the monast-

eries and sometimes land illegally

Contempt for West

Since the first hermits - fleeing

religious persecution - founded their "Garden of God" in the sev-

enth century, the colony has expe-

rienced both splendor and decay.

Lavish support from both the By-

zantine emperors and foreign roy-alty raised it to a peak of 180 monasteries and cloisters shelter-

ing more than 10,000 monks at the

end of the 11th century. Yet it also

surrounding world, and was fre-

quently plundered by armies.

on the shores.

"the gateway to heaven."

(Continued from Page 7S) firebombings of several large Athens department stores have been greeted with shock, horror

and almost disbelief. This is not Greek behavior." an Athenian politician said after two firebombings in central Athens re-

In general, in fact, Greeks find violent crime so disturbing that they appear to take solace from the belief that foreigners have been responsible. Thus, many Athenians appeared willing, if not eager, to believe a communique claiming responsibility for the firebombings by the "Greek branch" of the Italian Pale Pale at the state of the Italian ian Red Brigades although the latter group apparently has not participated-in or organized terrorist

discussing crime, sociologists and erally, by the network of commucriminologists list high among the factors responsible for its gradual increase the growing number of foreigners who visit or pass

through Greece. According to U.S. anthropologist Peter S. Allen, the low crime rate in Greece as a whole and, in particular, in overcrowded Athens (which now houses almost 40 percent of the country's population), is one of several elements indicat-

explaining the low crime rate is the role of the family and the significant "social control" exercised acts outside Italy. Nevertheless, in both by the family and, more gennity or neighborhood social relations.

For example, criminologisi C.D. Spinelli said, juvenile delinquency in Greece, although slightly on the rise in recent years, is limited, even for a country with a population of only 10 million. In 1979, only 4,497 cases involving children un-der 17 — a slight drop from the

1978 figure — were adjudicated.

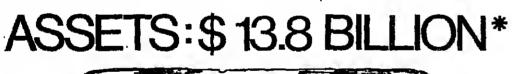
Dr. Spinelli, a professor at
Athens Law School, believes that the characteristics of Greece's gemeinschaft, or community-oriented society - cultural homogenphilotimo, or love of honor - act as deterrents to violent crime.

percent of the crimes commutted in 1979 were traffic or market violations. Crimes against persons, which have declined during the last decade, represented only 13.2 percent (plus 3.8 percent for crimes of bonor or passion). And despite a revolution of rising expectations nurtured by television and film as well as by tourists and returning emigrants, crimes against property represented only 4.5 percent of the whole.

According to sociologist Jane Lambrini, crime has remained low ity, a functioning system of intri-cate in-group relations and strong transfer of village values. "When

because to a large extent the population movement from country to transfer of village values. "When people move to Athens they geners deterrents to violent crime.

She points out that more than 40 ally come to join relatives or friends. This way the social con-





A Pillar of the Greek **Economy**

The National Bank of Greece is the largest banking institution in the S.E. Mediterranean. It ranks among the fifty biggest banks in the EEC. It controls a group of 25 companies - in banking, insurance, industry and tourism - which are among the largest

and most profitable in the land. The National Bank itself has 373 branches in Greece and 28 branches and offices abroad. It also controls 4 banking institutions abroad (with 15 branches) and 5 banking institutions at home. In 1980, deposits reached \$10,7 billion and almost 60% of banking transactions in Greece were conducted by the National Bank of

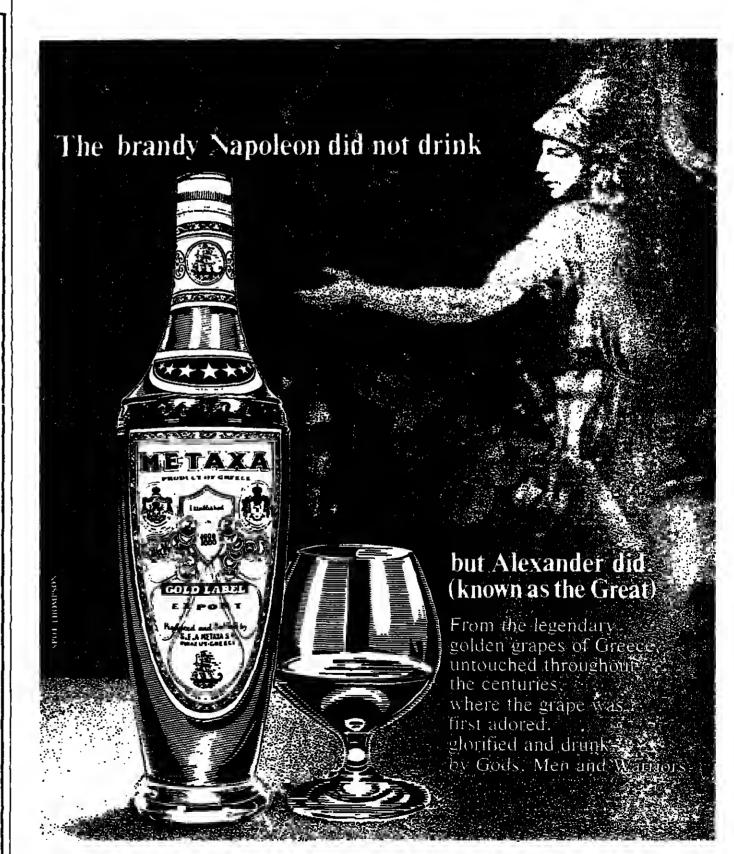
Doing business in Greece means doing business with the National Bank of Greece.

* 1980 - consolidated figures



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The Agricultural Insurances Organization (OGA) is a vanguard-type Organization both by reason of its structure and mode of operation. It is responsible for social and insurance protection granted to the rural population of Greece through a series of allowances paid in the fields of "old-age pension". "health". agricultural production insurance" and "family allowances"

OGA is unique in its kind, all over Europe, mainly because of the fact that with a personnel of barely 360, OGA covers, for insurance, almost 25% of the Greek farming population. This is achieved through a special, simplified organizational system which presents no similarities with the classic insurance systems found in both Greece and Europe.

Widely Extended Activity

OGA covers a wide field in the agricultural sector of the Greek economy: A) Old-age pensions paid to about 500,000 old people [men and women] and to about 100,000 invalids, i.e. people disabled as a result of accident.

Illustration of the people of the people disabled as a result of accident.

B) Health care provided to insured individuals, as well as to members of their families, without extra charge. About 300,000 persons are admitted to hospitals every year at OGA expenses.
C) Insurance coverage provided to all Greek farmers, by insuring their production from damage due to local weather disasters (hail, frost, storm, floods).
D) Payment on behalf of the Ministry of Social Services of family allowances to all multi-member families, rural and urban.

To realize this wide social insurance plan, OGA spends many billions of drachmas every year. During 1981, it is estimated that a 32 billion drachma sum [approximately] will be spent by OGA as detailed below:

— 11% for indemnities connected with agricultural production;

— 3% for all other situations as well as administrative expenses.

Up-to-date Methods of Operation

To carry out its large-scale activities, OGA implements a particular system of

It makes use of simplified, anti-bureaucratic methods for ascer-First: tri trades use of simplified, any furcational methods for asymptotic training, allotting and paying all allowances. OCA is comprised of an organized Central Service, staff-like and simple: It also uses up-to-date electronic and computer methods as well as efficient organizational systems, i.e., the standardization of supporting documents, the method used in liquidation of allowances, in following up insurance

It has adopted an original "decentralizing" administrative structure which enables it to cooperate directly with about 6.500 Secretaries of Municipalities and Communities throughout Greece.

OCA does not collect any individual contributions. It is a characteristic fact

that, for 1980, 78% (approximately) of OGA expenditures were met through social funds and subsidies and only 22% (approximately) originated from the larmer's own participation,

OGA Contribution to Agricultural Development

Concerning the OGA contribution to the general endeavors of Creek agriculture, we should refer, in particular, to the Insurance of the Agricultural Production as an institution which is founded on a systematic and successful basis. Although it started operating only in 1963, its levels are most satisfactory.

Its positive differentiation from European institutions is to be found in the fart that OGA covers more risks and products and provides increased coverage. In Greece, the insurance procedure operates on a state-basis while in other

Common agricultural policy in the field, particularly of common agricultural structures, is fundamentally based on two poles: common organization of agricultural markets and the tracing of a uniform line in agricultural structures. The aim set is both to ensure for the European consumer abundant, varied, and fow-priced agricultural products for his day-to-day needs and to make the farmer enjoy a satisfactory, constantly improved and, to a great extent, warranted

insurance coverage, at average standard prices, by areas of production and movement of agricultural products, contributes to a decisive manner to guaranteeing an agricultural income.

It is certain that, following our association with the Common Market, the Greek farmer will become a "small-to-medium" husioeseman, exactly as the case is with his counterparts of the European Common Market countries, OGA contributes, by its original character and within the limits of its possibilities, to this nationally important effort deployed, both in the social and economic fields.

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GREECE

Readers Scarce, but Newspapers Abound

A THENS — The newsstands in Athens are vaguely reminiscent of Christmas trees. Often topped with pagoda-like awnings, they offer a vast selection of cookies, nuts and candies. But their festive air depends largely on the unending tiers of local and foreign magazines. Also flapping in the breeze, with headlines that cry out for the passer-by's attention, are the front pages of a surprisingly

large number of daily oewspapers. lo a country with a population of almost 10 million, more than 85 percent of which is literate, the daily oewspaper readership — about 80 per 1,000 people — is one of the lowest in Western Europe. Nevertheless, about 85 oewspapers appear daily. And at a time when many U.S. cities have been left with only one or two morning pa-pers. Athens has 14 daily papers, with three more reportedly planned in coming months.

With a total circulation in the Athens News Agency chief Athens-Piraeus area of no more George Anastasopolous said, "Bethan 725,000, the newspapers are not money-makers. Most are said to be dependent not only on the

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oanced by Greece's large public

But the newspapers are not in business for the money anyway. "Greek papers don't exist even to inform, but rather to propagate ideas," said a leading Athens edi-tor. He described Greek dailies and their readers as forming a sort of "tribal system" that most people in Greece both want and ex-

Political Line

Of the 14 nationally sold newspapers currently printed in Athens, only two, Rizospastis and Avgi, are official party organs — respectively, of the hard-line Communist and the Eurocommunist parties. But almost all the others have a clearly defined political line or affiliation, ranging from far-right and monarchist to conservative pro-government, liberal or leftist.

cause of Greek tradition, people here feel that every shade of opinion must be expressed." Since the tax-free oewsprint provided by the fall of the seven-year military dic-government but on state-guaran-tatorship in 1974, the Athens press

cense. Its characteristics, in fact, have been sensationalism, extreme politicization and, in the case of the opposition papers, strong an-tagonism toward the New Democ-

Foreign observers point out

that, by the journalistic standards of many countries, the results have been disappointing. For the most part, the news columns of the Greek press are as politicized as the editorial pages. According to a objectivity and a sensationalist outlook combine "to make it just about the most irresponsible press

racy government.

in Western Europe." Several Athens morning papers, like the independent Kathimerini and the pro-Socialist To Vima, make a stab at more complete and objective news coverage, observers say, but the more sensationalist afternoon papers do considerably better in terms of circulation. To Vima has a circulation of about 25,000 while the afternoon sister paper, Ta Nea, reportedly sells more than 130,000.

An experienced Athens editor ascribes this morning-afternoon imbalance to the fact that Greeks do not eat breakfast and rush off to work too early to read a morning daily. The preference for the

teed loans for the most part fi-oanced by Greece's large public dom that some would define as li-also be a throwback to pre-1974 days, when surveillance of oeighborhood newsstands by government informers, in an attempt to keep track of many people's reading habits, made it safer to buy a paper in central Athens later in the

> But the preference for sensationalism must be in part a question of taste. "Generally, Greek newspa-pers devote their efforts to telling a particular constituency what it wants no matter what the facts veteran foreign oewsman, a lack of are," a Western diplomat said. An example is the unquestionable success, by Greek standards, of a new afternoon paper called Avriani. which began publishing 15 months ago and quickly became Greece's fourth-largest daily.

Scandal-Mongering

Part of the paper's success comes from its use of money-back coupons to sell at five drachmas, about 12 cents, or a third of the regulated government price. It can afford to do this because it uses nonunion printers and journalists as well as modern, fast rotary presses and computerized typeset-

But Avriani has also specialized in scandal-mongering, training its sights on top government person-alities in a way that most Greek



Athens kiosk: 85 papers appear daily.

papers, despite their apparent aggressiveness, generally try to avoid. Earlier this year, the paper's pub-lishers, George and Makis Kouris, were sentenced for maligning first President Constantine Caramanlis and then the businesswoman-wife of Premier George Rallis.
Whatever its faults, observers

point out that the press provides the only forum in Greece for real political debate. In a departure from most Western practice, one of two state-run television channels. Yened, is run by the armed forces information service, and government announcements includes in its daily programming regular boosts for the military. The other channel, ERT, is a

state monopoly under the authority of the Ministry for Information. Opposition groups claim that they are given inadequate coverage, and that the station gives extensive coverage to government politicians while limiting reportage of "miclicitous" events.

An Athens newspaper editor-said that an Information Ministry. directive limited coverage of the inauguration of Socialist French President Francois Mitterrand to one and a half minutes. And other important news events have often taken second place to footage of ribbon-cuttings or to the ceremonial activities of President

- - SARI GILBERT

EEC Entry Brings Economic Uncertainty

(Continued from Page 75)

1981 is not expected to exceed 2 percent. As for government opti-mism that the inflation rate can be reduced to 19 percent by the end of the year, a high-ranking official admitted that this was doubtful.

Uochecked public spending is as great a source of inflation as the growing costs of oil imports, he said, adding that in an election year it is far easier to incur deficits than to cut them."

The economy does have some bright spots. Although the official figure of 3 percent is thought to be low, unemployment has been kept in check. And, because of slow growth and high "invisibles," the balance of payments deficit of \$2.2 billion — expected to rise to \$2.5 billion this year — has remained manageable enough to give Greece an excellent international credit rating. According to a Western diplomat, potential foreign inves-tors ought to be attracted both by the current political stability and growth levels that, despite the slowdown, are higher than the EEC average.

But much of the government's

optimism regarding the EEC stems of foreign firms.

There is widespead agreement from the fact that the industrial sector appears to have survived the long period of association, during which 68 percent of customs duties were gradually removed. A five-year transition to remove the re-

maining 32 percent, Mr. Paleocras-sas said, is bound to cushion Greek industry from increased European competition.
The steelmakers disagree. Already forced to reduce capacity by the domestic recession, they are

oow required by EEC policy to cut output by an additional 25 percent. They are also angry with the government for waiving its right to phase out protective tariffs in this sector in favor of au immediate 50percent tariff cut. This will encourage steel imports and is likely to force significant changes in the local industry's structure.

This incident struck a warning note for other manufacturers. With a few exceptions - basic metals. cement, tobacco, textiles and chemicals — many Greek enter-prises are believed not to be geared to deal successfully with international competition. Some observ-ers say that such companies could be forced out of business or led

eventually to become subsidiaries

on the other hand, that for agriculture, and consequently for farmers, membership in the EEC will be a plus. Along with taking pressure off the Greek budget, subsidies from the common agricultural fund will raise Greek farmers' incomes by guaranteeing them minimum prices for products like olive

oil, lamb, sugar, cereals and wine. First Subsidies

Earlier this month, for example, Agriculture Minister Athanassios Canellopoulos announced that the first subsidies had started arriving. Olive oil producers will receive \$2.15 billion for the 300,000 tons produced this year, and wine producers will get \$950 million. The subsidies will be increased gradually every year so that the current \$7.19 per kilogram of olive oil will rise to \$36 by 1985-1986.

Although the high rate of inflation in recent years may have closed much of the gap, Greek food prices must be harmonized with those of the EEC. The accession agreement consequently provides for a transition of five years, extended to seven years in the case of some products like tomatoes, peaches and fish.

Government spokesmen insist cause, they say, Greek agriculture is complementary with that of the EEC rather than competitive. Nev-ertheless, some difficulties can be

expected.
With about one-fourth of the labor force employed in the sector, Greek agriculture is significantly less modernized than that elsewhere in Europe. Even more worrisome is the farmland's extreme fragmentation, which, according to Adamantics Pepclassis, the goveroor of the Agricultural Bank, is the sector's most serious structural problem. According to a 1978 study, the average size of the I million or so farme today is still color. lion or so farms today is still only five hectares, against 17.5 hectares in the EEC as a whole.

According to Mr. Pepelassis, abundant thetoric from all sides has kept farmers from being adequately informed about the signifi-cance of membership in the Com-mon Market. "The tendency has been to expect manna from heaven, without realizing that efforts must be made to improve current marketing conditions," he said, adding, however, that he thought membership would prove to be a

riculture's most efficient units. One of the main worries about EEC membership has been the ef-

fect oo food prices, originally ex-pected to rise by as much as 14 percent. Now, according to Mr. Pepelassis, price increases for food will probably not exceed 2 percent. Furthermore, according to Mr. Paleocrassas, the major cause of price increases is still the country's extremely inefficient distribution system, which has a large number of retail outlets, and of profit-hungry middlemen. A surge in the prices of some foodstuffs—partic-ularly meat—in the weeks following accession was attributed to speculation; by wholesalers, The government took prompt action, but in general has acted in accor-dance with the EEC's free-market principles, moving in recent months to abolish a long-standing and complex system of price con-

Drachma Policy: .

Membership in the Common Market has also led the government to take steps toward establishing the full convertibility of the drachma, which since the end of 1980, when an interbank foreign exchange market began operating in Athens, has been quoted in Paris. Earlier this month, Mr. Palcocrassas said he believed that the drachma was already enough for Greece to join the European Monetary System, but that this would be put off until early 1982 when all foreign exchange cootrols are to be removed.

Like many other Greek officials, EEC membership would also lead to a reform of the antiquated banking system. In fact, action has been taken to begin unifying the scores of different interest rates that are thought to have helped stifle investment and the develop-

ment of a healthy capital market.

According to Mr. Pepelassis, this type of action is probably what the economy most oeeds. We had come to a point where further development was impossi-ble without institutional reform," he said, adding that recent moves in this direction — for example, a new law on economic cooperatives — indicate that the long-term ef-fect of the Common Market would inevitably be positive.

The Common Market will

teave us with greater efficiency and productivity." he said, adding that this was the proper medicine for what is "basically a healthy economy suffering from a bad cold."
— SARI GILBERT

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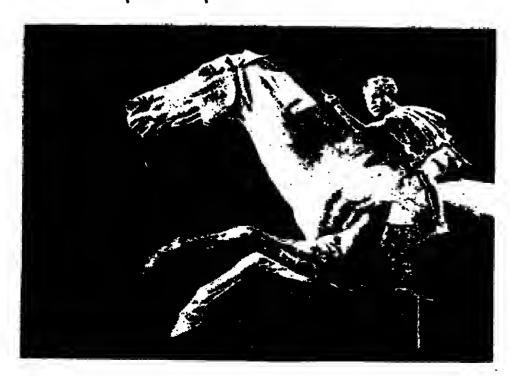
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Professional Orientation

With this service— wich has branches in all the Greek urban centers-the OAED assists young people io selecting the profession that suits them best, wilst demand for it is satisfactory, in the area of their domicile; said young people do not have to face, then, the problem of unemployement. Recently, OAED has founded a new "Professional Orientation Center" in Athens, for young people to be duly informed; such Center is by all means up-to-date, and rivalling with the European same.

Professional and Technical Training

OAED provides the opportunity for technical and professional training to a major part of Greek Labour Manpower. In particular, it trains non-qualified labour and lechnicians in Greece, from ages 18 to 46, in technical trades. Thus, it assists thousands of Greek working parties, wich face problems by reason of low wages, so that they obtain considerably higher remunerations, and improve their social situation. Traioees do not pay fees, but during their training (wich lasts 6 to 9 months) they

are being paid by the wages provided for "non-qualified" workers— technicians, being also insured without having to bear any charge, themselves, io that respect.

At the same time, OAED is absorbing (through its Schools and Centers) a large number of young people (ages 14-20) who cannot follow University courses. Our OAED Schools and Centers are scattered throughout Greece, and they supply the whole area with thousands of qualified workers.

Finding jobs

Thanks to its local Departments- wich operate through out the Country - OAED provides jobs for a large number of unemployed persons. The latter remain unemployed, as a result of various emergencies (such as floods, earthquakes etc.). Also, OAED issues special allowances for children and parties joining the Armed Forces, for military service.

Further. OAED is keen on developments, improvements and modernization. It founds new Local Services of Employement, and new educational Centers and Schools. whilst it modernizes its educational programs, bringing them to the level of European Common Market Countries.

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THENS - Despite a disappointing start this year, Greek tourism officials are opti-

mistic that the total of almost 5.3 million foreign visitors last year will be matched. At the same time, prospects have brightened for a larger influx of well-heeled tra-

But the atmosphere of uncertainty that prevails in the tourism industry worldwide has made itself felt in Greece. The number of tourists jumped sharply at Easter, but a monthlong strike by technicians of Olympic Airways, the national carrier, cut into early summer arrivals.

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"Because of the world economic situation, it's hard in make any kind of forecast for this sector. But we do expect perhaps a 20-percent increase in American and possibly a 3-percent increase in British tourists this year," said Prof. George Daskalakis, president of both the Greek national tourist organization (EOT) and the permanent tourism commission of the Organization for Economic Cooperation and Development, "We should also exceed last year's \$1.78 hillion income from tourism, but we don't know by how much," he

'Selective Destination'

Arrivals during the first quarter of 1981 fell by 20 percent com-pared with last year, but the April total jumped by 22 percent, an indication that the continuing

pound sterling has encouraged Anglo-Saxon visitors, long the mainstay of tourism in Greece.

Prof. Daskalakis said that Greece is now fully developed for tourism, and rates as an expensive country to visit - "what we call a selective tourist destination." The result is an increase in quality tourism, which Greece has sought

for years.
The growth area for up-market travel seems to lie in marine tourism, which brought in a record \$50 million in foreign exchange last year. In cooperation with the Ministry of Merchant Marine, EOT has embarked on a costly plan to improve marinas and construct new ones to create a chain of yacht facilities through the islands.

With more than 2,000 islands whose anchorages range from green, wooded inlets in the Ionian sea to the rocky beaches of the central Aegean, and a six-and-ahalf month sailing season, Greece has some of the world's most sought-after cruising waters. "Our great advantages over the Caribbean are our unique ruins and the diversity of our islands," yacht hroker and charterer Harry Tzalas

Of about 1,300 vessels available for charter in Greece, most are sailing boats less than 50 feet in length, or caiques, traditional Greek fishing boats. There are only a few truly luxurious yachts, which are always in demand. Both the "bare boats," chartered



Valuable asset: Tourists visiting the Acropolis.

crew, and the caiques, which can are asking for a tycoon's floating palace, which costs upward of \$1,000 a day in charter," Mr. Tza-

las said. Cruise ships, both Greek and foreign, have long exploited the Aegean's combination of history. varied islands and brilliant blue

to experienced sailors without a crease is expected this season from the total of 100,000 passengers sleep up to 30 passengers, are fair-ly Spartan. "We bave enough of these, but more and more clients increases for erews have cut profit margins for the owners. Now, cruise operators seek special-interest cruises and even shipboard conferences to keep up passenger levels. They have also extended itineraries to Turkish, Israeli and

even Red Sea ports. "Cruising remains romantie, water, but the cruise boom of the and we have people coming back 1970s has leveled off, and no in- year after year on different ships.

But the outlook is growing increas-ingly uncertain," said George Po-tamianos of Epirotiki lines, owners ries of winter travel incentives, including subsidies for hotels, restaurants and nightcluhs and beated

EOT recently introduced a se-

swimming pools, along with free

entry for foreign visitors to muse-

ums and archaeological sites and

the Rhodes casino.

of Greece's largest cruise fleet. One problem is that many Greek cruise ships are past their prime and owners are reluctant to build new vessels as the chances of recovering the outlay lessen. Conversion costs are prohibitive, Mr. Potamianos said.

Flotilia Cruise

During the last three years, a trend in marine tourism has emerged: the flotilla cruise, Inexperienced yachtsmen sail in up to 12 small boats through a group of islands following a motorized main ship, which communicates by walkie-talkie and also serves as the galley. "It's what you might call the package tour version of yacht-ing," said Nick Tsangalakis, a charterer who also operates a flo-

Introduced from the Caribbean, fintilia sailing is probably the most economical vactuing vacation that can be found in the Aegean. About 25 fleets operate out of the island harbors within easy reach of Greece's international airports, cruising on pre-arranged courses for 10 days, leaving a few days free for independent sailing within call of the main ship.

The other side of quality tourism in Greece is winter vacationing, either on the ski slopes of Mount Parnassus, nr in the mild climate of southerly islands like

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Victory by Socialists Would Put Caramanlis in a Bind

By Paul Anastasi

ATHENS — With a Socialist victory increasingly considered a possibility in national elections next fall, many Greeks are focusing their attention on the role that President Constantine Caramantis could play in the nation's political future.

Mr. Caramanlis, Greece's most prominent and respected conservative politician, became president a year ago after stepping down as premier and leader of the ruling New Democracy party. Should the Socialists come to power, he will find himself called upon to act as an impartial arbitrator between his natural allies and his onetime bitter political foes.

So far, the 74-year-old president ment in pre-electoral skirmishing between George Rallis, his succesuse of his substantial presidential powers will either reinforce his image as the guardian of national stahility or, as some opposition spokesmen fear, lead to an unprecedented political conflict.

in 1974 after the fall of the sevenyear military dictatorship, Mr. Caramanlis won widespread recognition from friend and foe alike as the creator of a rare period of Greek political stability and economic progress.

He holds the European postwar record for his total of 14 years as premier and head of five elected governments. After the fall of the junta he won praise not only for re-establishing parliamentary rule but for legalizing the Communist has successfully avoided involve- Party and introducing other democratic reforms. For some Greeks, however, his

sor as premier and the ruling par-ty's leader, and Socialist leader Andreas Papandreou. But in the represent the supreme test. The event of a Socialist victory. Mr. president has let it be known that

Caramanlis' political skills and his he considers it his duty to assure midway between the powerful the two major Greek parties might win sufficient support to permit the continuation of majority gov-Following his return to Greece ernment is likely to enhance his

> Two key issues on which the president and the Socialist leader could easily clash if Pasok, the Socialist party, came to power, are the European Economic Community and NATO. In the past, the Socialists have expressed doubts about the EEC and they favor withdrawing from NATO. But despite the risk to his own political stature in the event of a defeat, the president, sources say, would be inclined to use his constitutional right of referendum to prevent an upset in the Western commitments that he has always advocated. Such a step would create an unprecedented tussle over power between the president and the premier.

that the country has a stable gov-ernment and political tranquility. French presidency and the largely ceremonial West German position, But the possibility that neither of have been a point of discussion since the adoption of the 1975 Greek constitution. That document describes the president as "regulator of the regime," a sort of referee or arhitrator over the political process.

> But the Greek opposition has always strongly condemned what has come to be known as the "presidential superpowers," even though the true scope is still largely a matter of interpretation. The constitution specifies that most of the president's decisions are to be made in consultation with the Council of the Republic, a body composed of former presidents and premiers, as well as with the ruling premier and opposition

But the president can dissolve Parliament and call elections should be find that the elected body is in "obvious disharmony" The Greek president's powers, with public sentiment in the event

that neither of the two major par ties succeeds in forming a government, he has the power to call on other candidates, even from outside the Parliament. Finally, he can resort to a referendum or reject a government's call for a referendum if he considers this to be in the national interest.

Mr. Caramanlis and many other Greeks feel that such provisions do not give the president excessive powers. But critics point out that, if disputes over the use of presidential powers have not arisen. this is largely because the first president under the new constitution. Constantine Tsatsos, was personally chosen by Mr. Caramanlis and made a point of keeping a low political profile.

The policy views of President Caramanlis and Premier Rallis are almost identical, whereas the potential strains that might result from a Pasok victory would be similar to those between a French president and a French parliament with a hostile majority.





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-GREECE-

The Plaka: Athens Planners Attempting to Turn Back the Clock

Athens where he lived was a quiet residential area of narrow streets, tree-shaded plateias, or squares, and the two-or three-story neonewly independent country's capital in the 1830s.

year-old Ministry for Housing, the ministry is or even remove. Backed by a staff of committed arwith a plan to restore and clean up an area whose architectural and cultural integrity in recent years has been seriously threatened.

It is not going to be easy. Erastry that is economically dependent on tourism. And commercial and political interests strongly resist a project that is intended, in Mr. Plytas' words, "to show what old Athens looked like and what Greek life used to be."

Wine Barrels

In the days when Mr. Plytas was young, the Plaka — a settlement at least 3,000 years old that nestles in the shadow of the Acropolis was a tranquil place where local residents, shopkeepers and artisans would often meet in the late afternoon in a quiet taverna for a glass

of wine. The wine was kept in large barrels, and Mr. Plytas remembers how everyone in the neighborhood summer, borse-drawn carts bring- new.

A THENS — When George Plying the new wine arrived and taver-tas was a little boy, the ancient Plaka neighborhood of their own barrels out in the streets for refills. In late October or early November, when the wine had aged, a local festival was held. There was drinking, music and classical buildings constructed by singing, but the atmosphere in no Greeks after Athens became the way resembled that created in recent years by blaring discotheques, tourist-trap nightclubs, and flashy Today Mr. Plytas heads the storefronts and restaurants that the ministry is working to change

A project begun under Stefanos chitects and city planners, he is Manos, the former deputy minister trying to turn the clock back a bit of public works who for all intents purposes was Mr. Plytas' ecessor, decided through a detailed study of the area's 1,100 plots what buildings — about 42 percent - are to be preserved and ing the 20th century altogether is restored, and set up rigorous specimpossible, particularly in a counfications for rebuilding or changing the others. (Mr. Manos is now industry and energy minister.) For millennia, the commercial

intellectual and political center of old Athens, this 35-hectare area of low, red-roofed buildings has - in one form or another — survived the onslaughts of history: the Persian Wars, the waves of invasions. But in recent decades the Plaka which took its name from the large stone slab the Turks used in the l6th century to separate the neigh-borhood from the city's other seven administrative districts - has had other enemies to fight.

One, a problem for all of Athens, was the introduction of reinforced concrete into construction techniques in the 1930s, which led builders to destroy the old and turned out when, at the end of the replace it with the characterless

single-minded obsession of archaeologists and classicists with Greece's antiquities. Until the preserve the later architectural heritage had been almost ignored. And there were repeated requests by archaeologists, in part successful, to have sections of the Plaka removed in the quest for more of the ancient ruins.

That compulsion seems finally to have subsided. A few years ago, a plan to remove the early 19thcentury houses of the small settlement known as Anatiotika, after the stonemasons from the island of Anafi who migrated there about 150 years ago, raised such an outcry that it was indefinitely post-

Tucked up high under the north wall of the ancient fortifications surrounding the Acropolis, the cluster of the Anafiotika houses is like a miniature time warp. Onestory homes with whitewashed walls and red-tile roofs are divided by narrow, winding walkways. Old men in pajamas sit outdoors on ramshackle walls, elderly women dressed in black converse with neighbors, canaries sing from between the wooden bars of makeshift cages while the somewhat cooler Athens air carries the inviting smell of dobmades, stuffed vine

For the most part, in fact, Anafiotika has been spared the Plaka's greatest scourge, the pres-sure of commerce and tourism. Only a few hundred meters away are streets where the buildings' original facades have been almost

Another was the long-standing, masked by rows of mass-produced ngle-minded obsession of archaetourist clothing and souvenirs.

Even worse are the entertainment places. Innumerable taver-1950s, for example, the need to nas each with blaring music, seek to entice the prospective foreign diner. Large neon signs broadcast the names of nightclub entertainers, one corner club with open doors features a sultry looking belly dancer, and there are also sex shops — magnets for pimps and drug dealers - the overall effect providing a brutal contrast with the simple wooden shutters and wrought-iron balconies of the original neo-classical buildings.

According to government architect Ketty Gartzos, the Plaka's problems have been caused largely by its location. Caught between the Acropolis and the commercial center of modern Athens, it has

The result has been the intrusion of office and apartment buildings, particularly on the area's periphery. A lack of investment capital for home improvement led over the years to the deterioration of many of the older houses and a consequent decline in the local population. But the real exodus from 17,500 residents in 1961 to a low of 4,500 a decade later - came about in the late 1960s and early

At that time, the mayor of the neighboring port of Piraeus decid-ed to clean up his town and all the honky-tonk and vice-oriented elements moved to the Plaka, where property values and rents were low. The resulting noise and environmental change led many resi-

The government's program seeks to change all this. Cars have been banned from at least half the Plaka streets, which are gradually being repaved in pedestrian-mall style. The Ministry of Culture has bought about 20 buildings that it plans to restore, while elsewhere. building regulations are being applied with increasing rigorousness to keep down the noise, and to persuade entertainment and restaurant owners to remove offensive signs and restore the original

The government has also earmarked about \$1.5 million for lowcost loans to property owners who agree to restore the selected landmark buildings. If opposition can be overcome, foreign-language signs will be removed or reduced in size and clothing displays will be moved back indoors.

building facades.

. Although some Athens architects and city planners believe that the program is proceeding too slowly and accuse the government of watering down Mr. Manos highly ambitious land-use reform plan for both the Plake and greater Athens, Mr. Plytas insists that, for the Plaka at least, "we've gotten through the hard part." He predicted that in three or four Years the Plaka project would be com-

A longtime Plaka resident. Sonia Dallas, agrees that the project is slowly working and that there is a fantastic improvement." The elimination of cars from the area, for example, has lessened pollution. "It feels cleaner, and finally my plants are growing again," she said. But there is still a lot to be done. The area is not policed enough and the government has still not acted to limit the number of tourist shops, which ought, she said, to be replaced with real handicraft shops such as those that used to be one of the area's attrac-

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SARI GILBERT, the major contributor to this survey, is an American free-lance journalist based in Rome. During the last 10 years, she has contributed to a number of major American newspapers and magazines, as well as to Italian and Canadian publications. She has a Ph.D. from the Johns Hopkins School of Advanced International Studies.

ANDRIANA IERODIACONOU, a Cypriot free-lance journalist, writes from Athens for The Washington Post, The Miami Herald, The Toronto Globe and Mail and several British publications.

PAUL ANASTASI, also a Cypriot, runs the Athens Free Press Agency, and for the last two and a half years has written from Athens for The New York Times. He previously had worked for six years for The Associated Press in Athens.

GERARD CASTORIADES grew up in Beirut, has lived in Cyprus and has a Greek passport. A former journalist for Agence France-Presse, he resettled in Athens more than a year ago and writes for Business International and the Middle East Economic

American School of Classical Studies Is 100 Years Old

By Andriana Ierodiaconou

A THENS — The American School of Classical Studies, a center of rigorous classical scholarship and archaeological excavarioo in Greece, will celebrate its 100th birthday this summer.

It is one of eight foreign archae-ological missions in Greece, most of which were founded in the days when the great powers played more than a backstage role in Greek political and cultural life. According to other foreign scholars, the distinctive contribution of the American School in piecing together the jigsaw puzzle of ancient Greece lies in its meticulous, longterm studies of a half-dozen prehistoric and classical sites.

Physically, the school is a handsome neo-classical building set in ooe and a half acres of pines, olives and flowers amid concrete high-rises in the fashionable Kolonaki district. When the Greek government originally made a gift of the site it was on the outskirts of Athens. Carl Blegen, the excavator of Troy and the Mycensen Palace of Nestor at Pylos, who first came to the school in 1910, once said: We used to be practically in the country. The view in all directions was open and magnificent."

These days, about 100 students and faculty from U.S. and Canadian universities use the school as a graduate center abroad. About 20 students are admitted each year for a one-year graduate course. Another 40 — some undergraduates - join a six-week summer program, and the remainder are graduates doing research and es-tablished scholars. **Classicists of Tomorrow**

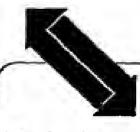
"We have the good fortune of seeing all the great classicists of to-morrow pass through our doors," said Colin Edmonson, Andrew W. Mellon professor of classical studies. "And the staff list reads like a

who's who of famous scholars."

The American School was founded a century ago by a group of scholars from Harvard, Yale, Brown, Johns Hopkins and Coroell universities with an endow-ment of \$100,000, which has grown to more than \$8 million.

Apart from their teaching and

esearch work, the school's archaeologists have conducted more than 50 excavations, including two major digs that have gone on every summer for decades — one in the



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Agora, or marketplace, the focal center of classical Athens, and another in the ancient city of Corinth, capital of the Roman province of Greece.

This year, their 50th season, the archaeologists working in the Agora are concentrating their efforts on a search for the colonnaded structure, or stoa, where the fourth century B.C. philosopher Zeno liked to meet with his pupils, who subsequently became known as the Stoics. This area, the excavators say, was the heart of the ancient city, where the finest sculpture was displayed and important city records could be read, inscribed on

tall stone slabs, or stelai,
Finds from the Agora are on
display in the American-organized Agora museum, or stored in its basement as study material. The museum itself is a reconstruction of the second century B.C. stoa built by King Attalus of Pergamon, in modern Turkey, who studied in Athens when the city was no longer a political force to be reckgood with but remained a center of learning.

modern shopping center, the twostory stoa had survived to its full height at one end. Rebuilding it in the 1950s was an architectural challenge that cost \$1 million, a

gift from John D. Rockefeller Jr. At Corinth, 85 years of excavation have uncovered several acres

of temples, theaters, fountains and bathhouses. Generations of U.S. archaeologists have learned the techniques of excavation at Cor-inth, which has also been a jump-ing-off point for exploring sites in the same region, like the ancient port of Cenchreai and the Panhellenic sanctuaries of Isthmia and Nemea, where games like the an-cient Olympics were staged. Not confined to the classical

past, the American School has also been responsible for unearthing some important prehistoric sites. At the Franchthi cave near Port Heli the excavators went down 35 feet through 25,000 years of history to find Mesolithic bones, seeds and stone tools and the earliest evidence for seafaring — chips of black volcanic glass imported from the Aegean island of Melos about 8,000 B.C. John Caskey of Cincinnati Unirole in Greek studies.

versity put the early Bronze Age on the archaeological map of mainland Greece, uncovering a huge terra-cotta-tiled building at Lerna near Argos that dated from achievements is in providing a perabout 2,200 B.C., and went on to ception of Hellenism as a continuexcavate a Bronze Age town on the ous phenomenon, appearing in island of Kea.

lo Crete, Harriet Boyd Hawes of tory to the present day."

Smith college uncovered a complete Minoan town in the early Although Greek archaeologists

appreciate the work of the foreign archaeological schools, public re-action may range from interest to hostility. Periodically the radical press accuses foreign archaeologists of trying to steal the antiquities they dig up, or of spying. "We do meet anti-Americanism in the field," Prof. Edmonson said.

hospitality - is still a strong traditioo in Greece, and on the individual level we experience nothing but Recently the school has introduced material on medieval and modern Greece in its one-year program. Its director, Henry Immerwahr, believes that more emphasis on recent Greek history and culture is vital if the American

School is to continue an innovative

"But the practice of philoxenia -

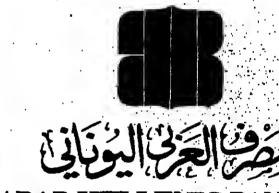
"We must explore what the Greek heritage means to the world, and to America, today," he said.
"For one of the school's major many forms from the dawn of his-

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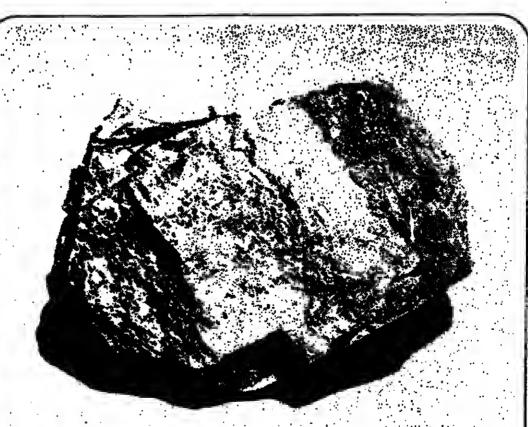
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Athens Is Becoming a Major Center for Middle East Business

By Gerard Castoriades

THENS - Nowadays on a A mens — tourney Hellenikon Airport, wealthy-looking Mid-dle Eastern businessmen wind their way through crowds of tourists visiting Greece for their annual as share of the sun. At the airport's east terminal, on a parking termac. sleek, elegant executive jets with Arab markings are ready to take off for Riyadh, Abu Dhabi or Am-

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Because of political developments since 1975, Athens is becoming a major international business center for the Middle East.

The war in Lebanon has forced scores of companies to leave Beirut. With Egypt now the black sheep of the Arab family, businessmen have felt is unwise to use Cairo as a substitute regional cen-ter. The revolution in Iran forced executives to leave Tehran. The Gulf war has imperiled the status of Baghdad. And Saudi Arabia's stiff regulations for foreigners bave kept businessmen from settling

their families there. In other words, by a simple process of elimination, many compa-nies doing business in the Middle East have been led to select Athens as the alternative to Beirut and other oriental centers.

centrally located business area in a city where one can work but also entertain. Business in the Middle East, after all, is a very personal thing, pivoting around personal

ties and conversation.

Athens' new Middle East vocation is now visible. Syngrou Avenue, one of the longest and busiest boulevards, is almost entirely devoted to Middle East business.

Statistics supplied by the Ministry of Coordination show that the number of commercial-industrial multinational companies setting up Middle East headquarters in Athens has increased eightfold, from 55 in 1975 to almost 400. Foreign marine companies have grown from 700 in 1976 to more than 900. "They are still pouring in," said Gordon Ball, chairman of the Athens Multinational Liaison Committee, a privately established bureau set up soon after the first displaced businessmen from Beirut

ided on Greek shores.
"Many companies," he said, "came to Athens, stayed a few months or one year, and then left because they were dissatisfied with Greek officialdom's failure to cope with bureaucratic problems and increasing telephone service delays." Recently, in fact, both Chase Manther oriental centers.

The Levant has always needed a pulled their Middle East opera-

Mr. Ball added, "for every 30 com-panies who have been leaving Greece every year since 1976, about 75 companies settle in and many of those who left have come

Many companies have decided that, despite the red tape, language barriers and other problems, Athens is the best compromise the area has to offer as a Middle East business center. "Where else could we go?" Lebanese consultant Walid Beydoun said. "Athens is only a one- to four-hour flight to any-where in the Middle East, North Africa and Europe."

Levantine City

In many ways — in appearance and lifestyle — Athens itself is very much a Levantine city. Thousands of Athenians, the offspring of members of the Greek communities of Cairo, Alexandria, Beirut and Tripoli, speak fluent Arabic. And yet it is an integral part of Europe, a member-state of both the European Economic Community and NATO. Middle East-oriented businesses considering Athens as a possible base may also be influenced by the fact that Greece is currently the only EEC country that does not bave full

diplomatic relations with Israel. For companies thinking of set-

tling in Athens, a deciding factor is often Law 89, tailored for offshore groups and considered by many to be one of the few positive legacies of the 1967-1974 military junta. This law was originally aimed at drawing back the Greek shipping tycoons and their fleets, who had settled in the United States, Britain or Monte Carlo, It allows any company to start an offshore business in Greece, free of corporate tax, provided that it will not compete with Greek companies on the Greek market, and will import a

eign exchange.
The law also grants offshore company staff certain privileges. including duty-free cars. This, the government thought, would encourage shipowners to return to Piracus, open offices, rent flats and create jobs. They were right, and additionally it brought a rush from the Middle East.

minimum of \$50,000 a year in for-

Law 89 companies now bring at least \$350 million a year into Greece, Mr. Ball said. They employ more than 2,500 Greeks in skilled jobs and at salaries as high as \$30,000 a year — "which is the top mark by Greek standards." he said. They also bave generated business for Greek companies in the Middle East, and, vice versa. business in Greece for Middle

they say, makes inflexible opposi-

tion to both NATO and the Euro-

toward the second distribution (of

seats." says a campaign poster

prepared for an April-May elec-

tion fund drive that Mr. Florakis

said octted the party about 227

tween the two parties. While the

KKES is finding it bard to come

erty is the price of independence"

- it is widely believed that the

KKE is at least partially funded by

Moscow. But there is also general

superior organizational skills. They

ty student elections to 30 percent.

KKE Policy

from the army and police, and -

country where there is consider

able support for a "neutralist" for-

of foreign domination.

The basis for the Communists'

in the wartime anti-German resist-

which terrible atrocities were com-

Following their defeat in 1949, thousands of Communist guerrillas fled eastward. With the Communist Party outlawed, those who remained joined a broad leftist movement called EDA, which in

1958 did well enough to win 25 percent of the vote. Over the years,

however, the Communists within

million drachmas.

operation in Athens? The long list includes auto industries with their spare parts depots, aerospace and aviation groups, heavy industry and petrochemicals, consumer industries, engineers and architects. state-owned bureaus, and banks.

Curt C. Carlsson, the manager of Skandinaviska Enskilda Banken. Sweden's largest privately owned industrial bank, said that through Athens he does business in 11 countries in the Middle East, including Turkey and Afghanistan.

Hotel Group

The latest group to move into thens - from Kuwait - is Marion Hotels Corp. of Britain. Mariott Vice President John Davis-Slade said that the decision was made "because it is now important to establish an area base, and Athens is increasingly becoming a center for Middle East operations." Marion will operate out of Greece four hotels in the Middle East - Iwo in Riyadh, one in Dharan and a floating hotel in Kuwait -- as well as two cruise boats on the Nile, and four more botels under construction in Amman. Cairo, Luxor and El Arish.

Athens also attracts people from the Middle East. There are more than 100 Arab-owned or joint groups doing business in the Mid-dle East from Athens, such as Consolidated Contractors, the largest Arab-owned construction group, with \$1.6 billion worth of

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Tiny Eurocommunist Party Seeking a Greater Voice

NEA SMYRNI — "Marx was a Eurocommunist," the impassioned, grey-haired orator thundered from atop a makeshift plat-form hung with both the blue and white flag of Greece and the red and yellow hammer and sickle.

Below in the empty lot, a few meters away from one of several amusement parks in this middle class suburb, about 500 Athenians broke into enthusiastic applause. Homemade banners urging a vote for the new people bobbed as the bearers clapped vigorously, and red flags fluttered gently as the speaker — now strident, now persuasive — sought to rally his

National elections are still months away but the small Eurocommunist party is seeking an early start with a campaign directed equally against the conservative government and its chief rival, the pro-Moscow Communists.

. The consensus is that it may well be a losing battle. Unlike elsewhere in Western Europe, there are two Communist parties and so far the hard-liners have pulled in most of the votes. The smaller Eurocommunist party, KKES, known as the Greek Communist Party of member of the KKE's seven-mem-

the Interior because its leaders were Communists who remained in Greece after the civil war rather than take refuge in the Eastern bloc, controls only about 2 percent of the popular vote and has only one deputy, its leader, Leonidas Kirkos, in the 300-member Parlia-

Hard-Line Party

To be Eurocommunist, first you have to exist," scoffed a spokesman for the Communist Party, KKE, at the hard-line party's headquarters in Capodistria street in the commercial center of athens. In the last elections, in 1977, the KKE won almost 10 percent of the vote and 11 seats in the single-house Parliament. Speaking at a press lunch in early June called to kick off the KKE's own campaign, party secretary Harilaos Florakis predicted that the vote

ber secretariat and its chief spokesman for foreign affairs. He said that the "exterior" Communists, as others describe them, are "not concerned with ourselves and with our own strength, but with defeating the right." Nevertheless, a drive is under way to win the 17 percent that under Greece's skewed proportional representation system qualifies a party for the post-elec-tion second distribution of parliamentary seats and would thus enable the Communists, they say, to hold a balance of power between the conservative New Democracy

Socialist Movement, Pasok. Observers do not believe that the KKE will reach this goal, but they foresee some advances for the hard-liners and only little chance of improvement for the Eurocommunists. "They are fighting for their lives," an influential Greek journalist said, expressing what appears to be a widespread opinion.

There is general agreement

party and the dynamic Panhellenie

among non-Communists in Greece that the hard-line Communists are among the most pro-Moscow in Western Europe. "It's rather sur-prising," a high-level West European diplomat said, "One would think that what the Eurocommunists are saying would ring bells bere, but except for the intelli-gentsia they really don't."

Democratic Values

Like their Italian counterparts, Greece's Eurocommunists want drastic social change, but give an equally high priority to democratic institutions and values. They want Greece to withdraw again from the military wing of NATO but caution against dramatic moves that would upset the world balance of power. They have criticized the Sovict Union for its intervention in Afghanistan and are strongly op-posed to any intervention in Po-land. Although they are Marxists, they believe that Soviet-type Com-munism would not be suitable for

the Greeks. "I think perhaps they are not fa-nancal enough for Greek leftist ex-tremists," said a deputy from the ruling New Democracy party who sought to explain the Eurocommunists' lesser appeal. The larger KKE, on the other hand, is almost universally described not only as Stalinist but as tightly tied to Mos-cow. "If a Greek KKE Communist found his wife in bed with Bre zhnev, he would convince himself that this was OK," a government

The KKE Communists shrug off their image as a closed, dogmatic party and point to the success of a policy that Mr. Kolosof describes as "telling it like it is." They accuse their smaller rival of being out of touch with Greek reality, which,

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Greece began to resent the orders Chief Foes Are Government and Pro-Moscow Group

they received from abroad. In 1968, following the Soviet invasion of Czechoslovakia, the party split into two wings. There was brief reconciliation in 1974 pean Economic Community a hiswhen, after the fall of the military torical necessity. "To get rid of the right and bring change, forward junta, the party was legalized and run a joint electoral ticket, but since then the two groups have been almost continually at logger-

Under the leadership of Mr. Kirkos, the Eurocommunist party has been trying to persuade Greek Communists that polarization can Money, in fact, appears to be one of the major differences bebe dangerous and that analysis is better than emotional catch-all slogans. But so far their major success up with sufficient funds - "We has been to convince oon-Communists that "it would be nice" if it were they who bad the KKE's are squeezing our resources to the greatest extent possible," a party spokesman said, adding that "pov-

- SARI GILBERT



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Uncertainty Haunts AT&T Restructuring

By Merrill Brown Washington Post Service

WASHINGTON - While the Reagan administration, Congress and the federal courts are considering moves that will alter the future shape of American Telephone & Telegraph, the Beil System is quietly moving ahead with a massive restricturing program that will alter the relationship between users of the nation's 145 million AT&T telephones and the phone

At stake is the transfer of \$10 billion to \$15 billion of AT&T assets and at least 100,000 of the company's 1.04 million employees to a new AT&T subsidiary, popularly referred to as "Baby Bell." The new company will sell deregulated equipment, ranging from conventional home telephones to sophisticated switchboards or PBXs and ultimately "enhanced" or computer and data processing

In total, the reorganization under a mechanism announced by AT&T last August — may well be, as AT&T Chairman Charles Brown said recently, "more massive than any undertaken in so short a time by any other American industry."

The program was required by the Federal Communications Commission and must be completed by next March 1. It is moving forward despite serious and potentially protracted legal challenges to the commission's order and despite the Justice Department's antitrust suit here that could wipe out the entire basis for the company's restructuring.

"Whatever we plan will require a lot of fine-tuning," said Morris Tannenbaum, AT&T's executive vice president and the Bell System executive responsible for planning. "It is a very tenuous time and that is why we are so anxious to have the matter settled. We need to know what the rules of the game are going to be so that we direct our energies to the telecommunications business of the future."

Dramatic Changes

No less complex than the purely internal restructuring are the dramatic changes that the moves will have on U.S. consumers and the 61 million homes and more than eight AT&T. For example, virtually all customers of AT&T cal operating companies will — if has the dollar accounted for a larg-and when the plan takes effect — er share of volume — 88 percent in

no longer receive simply one monthly bill for utephone services. Instead, residential and business customers will receive two bills in essence one for equipment and a second for services. Questions about those bills will have to be handled separately by different telephone company offices.

Page 15 Monday, June 29, 1981

Although it is not required under the FCC decision, there is even some talk within AT&T that the basic structure of the company with AT&T's New York headquarters overseeing the 23 local operating companies — may change, with a consolidation of those companies possibly in the works. "I wouldn't be surprised to see a continuing evolution in the form of the operating companies," Mr. Tannenbaum said.

In addition, despite the fact that the FCC decision does not change the basic structure of AT&T's equipment subsidiary. Western Electric, Bell's planners are moving ahead with plans to do just that, in line with a similar legislative proposal now under consideration by the Senate Commerce Committee. A Western Electric restructuring would mean a breakup of the company's factory operations, again separating the

(Continued on Page 19, Col. 5)

Newspapers See **Future in Cable**

By N.R. Kleinfield New York Times Service

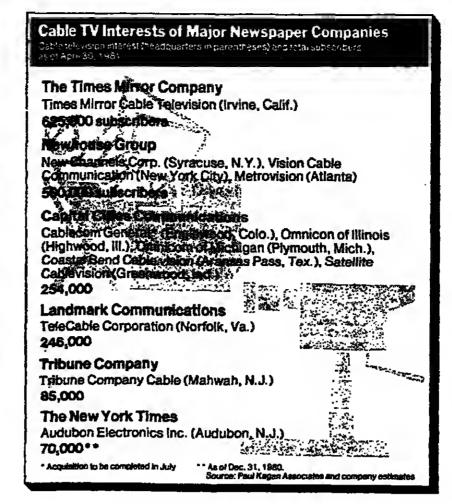
NEW YORK - In the old days of a few years ago, executives of newspaper chains traveled around the country buttonholing the proprietors of local independent papers. Join our stable of dailies, was their call. As they carried out their work, executives from Knight-Ridder might bump into emissaries of Times Mirror or somebody from New-

Things have changed. Though the thinning supply of independent papers continues to be pursued, these newspaper leaders are probably more apt to collide with one anoth-er coming out the doors of cable television

Just as newspaper groups were among the first to invest in television several decades ago, now they are increasingly sinking eye-opening sums of money into cable systems, which loom as at least partial rivals to the papers now hurled onto stoops.

Everybody, it seems, is dashing into cable: Time Inc., Westinghouse, American Express, Warner Communications, to name a few big entrants. Five of the nine largest cable acqui-sitions, however, have been made by newspaper groups, and most major chains are aggressively stalking cable game.

In moving into cable, newspaper publishers are hedging their bets. "Nobody's real sure what kind of competition cable will offer to the newspaper franchises," said John Morton, a newspaper analyst with John (Continued on Page 19, Col. 5)



Dollar Issues Dominate Eurobond Market in 1st Half

By Carl Gewirtz

PARIS - Record-high interest rates in all sectors of the Eurobond market failed to have any significant impact on the volume of busi-ness transacted so far this year, figures compiled by Morgan Guaran-

First-half volume of \$12.22 billion is a scant 1.6 percent below the record pace set in the first six months of 1980, when \$12.43 billion of Eurobonds were marketed. For a little perspective, this year's volume is 15 percent above the level set in the first six months of 1979 and is only 15 percent short of the total Eurobonds sold in all of 1978

Equally startling, not to say ominous, is that issues denominated

in U.S. dollars accounted for a whopping 83 percent of total new business so far this year. Only once (on an annual basis)

1967. Throughout the 1970s, the in dollars, offering coupons that dollar portion of the market ranged from a low of 43.6 percent in 1975 to a high of 65.4 percent in 1977. Obviously, there has been a rare currency match between the preference of investors and borrowers this year.

What makes this ominous is that

EUROBONDS

the record bigh dollar interest rates are the U.S. government's major tool to throttle inflation, supposedly designed to inhibit the demand for cash. When such rates do not deter borrowers it must be concluded that they think rates are actually cheap and/or the high costs can be recouped through higher prices of their products, Despite all the talk coming out

of the United States about bow fundamentally strong the dollar is poised to become, corporate treasurers are only intent on borrowing are up to 8 percentage points higher than those on non-dollar issues. Why should they he willing to pay so much more to borrow in a strong currency? The unfurtunate conclusion is

that either the borrowers or the lenders have made a terrible blunder because while investors are pouring into dollar instruments, borrowers are saying the cost looks cheap.

To be sure, availability also plays a role, and the fact is that investors want dollar instruments and not other currencies.

But surely it says something when an institution such as the World Bank, which stopped selling dollar denominated public issues in mid-1977, returns to the dollar market in force - making its first ever Eurobond issues this year (\$800 million so far) and announce ing plans to raise \$500 million in

The doom sayers in New York,

Salomon Brothers' economist Henry Kaufman and First Boston's Al Wojnilower, remain convinced that although there may be some near-term downtrend in short-term U.S. interest rates, long-term rates will not decline and short-term rates are bound to set new highs within the next 12 months.

Mr. Kaufman's reiteration last week of his long-held views helped weaken bond markets, already groggy by the continued bounce in overnight money costs from a low of 16% to a high of 19 percent.

The late Friday news that the MI-B measures of the money supply in the latest week declined \$200 million — forecasts had ranged up to an increase of \$1 billion - had a minimal effect on New York bond prices. While the drop was not expected, the Federal Reserve also reported numerous benchmark" revisions which left traders groping to make sense out

The revisions resulted in the Fed

reporting that M1-B growth rates for January and February have been lowered while April's were increased. The Fed reduced firstquarter average growth in shift adjusted M1-B by nearly two percentage points to minus hi percent at an annual rate. Few one new straight Eurodol-

lar issues were announced last

Ford Credit Overseas Finance is raising \$150 million guaranteed by Ford Motor Credit Co. The fouryear notes are being offered at par bearing a coupon of 16 percent. Despite the record-high coupon, the paper was reported to be moving slowly.

Trizec Corp. of Canada is seek-ing \$40 million for five years, ofing a coupon of 16 percent. Pricing will be set June 30.

Natomas Overseas Finance sold its \$50 million, five-year issue at a price of 99% bearing a coupon of 154 percent to yield 15.89 percent.

(Continued on Page 17, Col. 2)

Thomas T. Bamford, head of re-

\$190,000 for each of the next three

years to pursue his work on im-

proving the nitrogen-fixing ability

of plants, but is shying away from

putting money into in-house capa-bility for such work.

ing on the new technologies be-

lieve that such attitudes are short-

sighted and think that significant

breakthroughs, with important

commercial applications, can be

But the companies that are bett-

Euromarket Record Set in 1st Half of '81

By Carl Gewirtz nai Herald Tribune

PARIS - Despite mounting complaints from bankers that evernarrowing margins on Eurocurrency credits make it unprofitable to stay in the market, the volume of business transacted in the first six months of this year hit a record \$38.02 hillion.

The figures, compiled by Morgan Guaranty Trust, show an increase of 16.5 percent from the first six months of last year and an increase of 3 percent over the pre-vious first-half record of \$36.93 billion set in 1979.

The non-oil producing developing countries once again were the largest group of borrowers, taking \$16.96 billion in the first balf compared with the \$15.83 billion lent to industrial countries. A year ago, for both the first half and the year overall, lending to developed countries ran about 60 percent ahead of the amount lent to NOPECs. The volume of NOPEC loans

rose 79 percent from the year-ago period, which was artificially depressed as borrowers held back awaiting a drop in interest rates. and were 10 percent ahead of the previous record first-half pace of

Loans to industrialized countries were a record, up 61/2 percent from a year ago, up 49 percent from the first six months of 1979 and 3 percent ahead of the previous record set in the first half of

OPEC Loans Down

Loans to OPEC countries totaled \$4.05 billion, down from the \$6.97 billion a year earlier and the \$5.6 billion borrowed in the 1979 first half.

Communist countries borrowed \$1.11 billion so far this year, up from \$931 million a year ago but still well below the record \$5.2 billion borrowed in the first six months of 1979.

Rounding out the total was \$70 million lent to international organizations, down from the record \$409 million taken in the year-ago

The five biggest borrowers were Mexico, Italy, Brazil, Venezuela and Spain.

Mexico displaced Venezuela as the largest single borrower and remains the largest NOPEC borrower with a total of \$4.85 billion so far this year against \$2.18 billion in the year-ago period. Morgan bas not included the \$4 billion two-year bankers' acceptance facility just completed for Mexico, beause that is considered a domestic U.S. loan.

In the NOPEC category, Brazil is a distant second, taking \$2.61 billion against \$1.3 billion in the year-ago half. South Korea displaced Argentina for third place, taking \$1.41 billion compared with \$1.1 billion a year ago. Argentine borrowing dropped to \$932 million from \$1.19 billion.

Loans to the Ivory Coast jumped almost elevenfold, to \$337 million from \$29 million a year earlier. Big increases were also

SYNDICATED LOANS

scored by Taiwan (\$601 million compared with \$64 million a year earlier). Malayasia (\$585 million compared with zero), Colombia (\$443 million against \$106 million). India (\$200 million versus \$90 million) and Hong Kong (\$460 million against \$253 million).

Venezuela far outdistanced Nigeria as the largest OPEC borrower. Together, the two accounted for three-quarters of total loans this category. Venezuela took \$2.41 billion, down from \$4.58 billion a year earlier, and Nigeria borrowed \$782 million compared with \$443 million.

Among the Communist states, Hungary (\$550 million versus \$249 million) and East Germany (\$400 million against \$76 million) accounted for the bulk of the bor-

Among the industrial countries, Italy remains the largest borrower with a total of \$3.76 billion, up from \$2.52 billion in the year-ago half. Spain retains second place with a total of \$2.25 billion, down slightly from the \$2.3 billion of a year ago. France jumped into third place with \$2.01 billion, up sharply from the \$611 million a year ago but about in line with its \$1.6 billion in the first half of 1979.

Italian Effort

Because Italy is such a big borrower and because bankers have wailed so long about the unnecessarily chaotic conditions resulting from Italian entitites vying with one another for cash at the same time, bankers will no doubt welcome news that the Italian authorities are studying ways to make

(Continued on Page 17, Col. 1)

Genetic Engineering Begins to Change Face of U.S. Agriculture

New York Times Service NEW YORK — You don't have to lick your finger to tell which way the wind is blowing. Like a spring tornado, this season's enthusiasm over genetic engineering is sweeping over agriculture, one of the United States' biggest busi-nesses and the nation's chief ex-

The signs of a new industry in the making are everywhere. The names are big and the numbers hands are tig and the hinhests hage — DuPont, Monsanto, Pfizer, Atlantic Richfield, Stauffer Chemical, Upjohn, Occidental Petroleum, and Ciba-Geigy, among others, are spending tens of adjustic and property of the control of the con lions of dollars to explore the agricultural applications of bio-engi-

neering.
At the other end of the corporate spectrum a swarm of new companies have spawned, with ex-otic names like Calgene and Plant Genetics. The big three among these pioneers are Advanced Genetics Science of Bermuda and Greeness Science of Bernaida and Greenwich, Conn., partly owned by Rohm & Haas; Agrigenetics, which is building a new laboratory for basic plant research in Madison, Wis.; and the International Plant Research Institute in San Plant Research Institute in San Carlos, Calif., which with the help of funds from Atlantic Richfield is exploring everything from plants that can grow in salt water to putting animal genes into plants to produce meat-like proteins. "It all reminds me of the exciteed in 1977 specifically to finance

As the enthusiasts tell it, however, there will one day be perennial corn; crops that can fix their own nitrogen, thereby dispensing with expensive artifical fertilizer, potatoes and tomatoes on the same vine; and plants that tolerate the high levels of salt in heavily irrigat-ed soil. And behind each vision lurks a multibillion-dollar market,

waiting for the science. "We think food will be in the 1990s what energy has been to the 1970s and 1980s," said A. Robert Abboud, Occidental's president, pointing out that the company's studies indicate a significant food shortage in the 1990s. (Occidental, in addition to purchasing lowa Beef Processors earlier this month. has bought Zoecon, a research group working on biological pest controls and the development of

higher yielding staple crops such as soybeans and cotton.)
"We are going to make pork chops grow on trees," said Martin A. Apple, president of the International Plant Research Institute. That is a bit of a joke, be says, but adds that the untritional equiva-lent of pork chops can indeed be reproduced in plants.

ment over Lactrile — everyone wants to believe in it," said one which much of the current stir is foreign genes into plants have not tor. De Kalb, is on the developskeptic, Holly Shauer, head of the Department of Agriculture's competitive grants program, establish—where can be an impact on the far from being able to transplant state of the can be an impact on the same and into thinking that the problems in soybeans.

In the can be an impact on the same and into thinking that the problems in soybeans.

In the can be an impact on the same and into thinking that the problems in soybeans.

Such giants as Beautice Foods, tractable than they are, said world's increasingly fragile food supply. A headline grabber earlier this month, for example, was the announcement of an effective vacbasic research in agriculture. cine based on gene-splicing tech-nology that works against hoof and mouth disease, a major killer

of livestock. A huge, \$1,250-a-copy report re-leased recently by the Chicago Group, a consulting firm, suggests the market for new agricultural products could outstrip the medi-cal market by tens of billions of

Decades Away

Not everyone is so sure that those agricultural markets will readily be tapped, however. Alhough new developments are oc-Amough new developments are oc-curring almost weekly, many scien-tists in the field believe that the most ambitious technologies, in-cluding giving non-leguminous plants a nitrogen-fixing capability, and photosynthesis - enabling plants to absorb more light and therefore grow faster — are two

decades or more away. The problem is that plants are vastly more complicated than the bacteria that have been the object of most genetic work. A plant has as many as 10,000 genes, and de-sirable traits are a result of the interaction of many of them. And

families of genes that express different characteristics in higher or-

Moreover, even if an agricultural breakthrough is achieved, it will not necessarily have a commercial market. The Agriculture Department, for example, financed a project in which an academic ex-pert on plant breeding came up with evidence that a higher protein content corn could be produced without reducing crop yield.

"But there was no market for that," Miss Shauer said. "Farmers aren't given a premium for pro-tein." Until and unless a marketing reward is put in place, little will come of the scientist's research.

Indeed, while many of the nation's largest chemical, pharmaceutical, and oil companies are pouring money into genetic engineering on plants, most agribusinesses are staying on the side-

'Useful Tooks'

"DNA research may provide us with some useful tools for altering one or two genes, but it won't dramatically change the way we breed plants, or produce any miracles," said Thomas Urban, president of Pioneer Hi-Bred International, the nation's leading bybrid corn com-pany. Pioneer's research focus, like working with plants are more

Carnation, and General Foods are also skeptical about the potential of the new technology, whether because of doubts about its feasibility, or traditional conservatism.

Most food companies have never invested much in basie research and development. But some are working on improving plants with well-established technology. Frito-Lay, the Dallas-based food processor which uses about 3 percent of the nation's potato supply, is using tissue culture and cloning techniques to develop a relatively dis-ease-free potato. Similarly, Camp-

bell's Soup is working on disease-resistance in tomatoes. Even many agricultural chemi-

cal producers are waiting until the achieved within 10 years.

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Japanese yen 225.373
Kiswatti diner Q.2817
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Port. escudo 63.50
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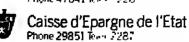
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International Bond Prices - Week of June 25

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The Securities of the Continued Iran Page 14.

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By Pamela G. Hollie New York Times Service

ANGELES - Last December, Warner Brothers decided that instead of releasing its new movie "Superman II" during the Christmas season, it would wait until summer. That strategy now seems to be paying off.

In a box-office-busting stretch ending June 21, "Superman II" led the industry to its biggest three-day tally ever, as six movies grossed \$45 million. The star performer, Superman II," itself took in \$5.68 million June 20 and chalked up three-day receipts of \$14.1 million.

"What comes in the summer is very important to a studio," said Roy Furman of Furman, Selz, Mager, Dietz & Birney Inc., a New York brokerage firm. "When Warner Brothers decided not to release at Christmas. it made a significant seasonal adjustment. It paid off."

Blockbusters are what studios dream about and a big summer movie is worth 12 months of a steady run. In the space of a few weeks, a studio may build enough momentum to carry it through the year or many years. "Star Wars," which was released in May 1976, put 20th Century-Fox back into the movie business.

This season's six big movies so far are "Superman II"; "Cannonball Run," from Fox; "Raiders of the Lost Arc," from Paramount; "Clash of the Titans," a joint venture of M-G-M and United Artists; "History of the World Part I," also Fox, and Columbia's "Cheech and Chong's Nice Dreams."

The summer strategy is crucial to the mov-ie industry, which has experienced a serious downturn in the last two years. Always the industry's most profitable and competitive period, the summer season has been extended beyond the eight weeks in July and August to incorporate the period from Memorial Day to Labor Day. Between that time, stu-dies will make more than half their money.

With studios cutting back on the number of pictures released each year because of rising production costs and a shrinking audience, one big summer movie may make all

the difference between a great year and a poor one. And the verdict comes in quickly, usually in the first few days.

If a movie does not open to a hig weekend, it runs the danger of being quickly forgotten. Besides, studios do not make money from sleepers - movies that catch on slowly but have long runs. Their biggest profits are made at the beginning of a film's run, when the reviews are fresh and the markets for toy. T-shirts and television resale are new.

A mistake in judgment or bad timing can be deadly, as Disney Productions learned when the company missed the space familiary cycle and failed badly with "The Black Hole" in 1979. Warner Brothers made a similar mistake when it misjudged the market for a sequel to "The Exorcist."

The competition will be unusually stiff this summer for the 12-to 24-year-old audience, which makes up the majority of the summer moviegoers. Working against the studios will be the rising cost of tickets now as high as \$5 because of inflation and the cost of film production — and the large selection of summer pictures this year.

The industry hopes that all of this strategy will help provide the turning point in the downturn and prove that the movie business is still viable. However, not all analysts are optimistic. The industry "looks bealthier now," said Hal Vogel, at Merrill Lynch, "but under the surface, we may not be done with the downturn."

The industry has been depressed for the past two years. Fox's revenues, for example, dropped by 9 percent in 1979 and another 20 percent in 1980. MCA's and Columbia's feature films also dropped off in 1980, but the impact on total film sales was easily offset by television sales, which rose by 25 percent and 45 percent, respectively.

When the industry is on a streak, as it appears to be so far this summer, the good will generally flows into following months. With the big Fourth of July weekend coming up, studios are hoping that movie-going has become fashionable again and that movies soon to be released will benefit from the mo**Gross Revenues** In the Opening Weekend For Some of the Summer's **Hottest Films**

Superman 11 \$ 14.1 million Distributor: Warner Brothers

Cannonball Run \$ 11.8 million Distributor: 20th Century - Fox

Raiders of the Lost Ark \$ 8.3 million Distributor : Paramount

Nice Dreams \$ 8.2 million Distributor : Columbia Pictures

Clash of the Titans \$ 6.6 million Distributor : United Artists

Bustin' Loose \$ 6.5 million Distributor : Universal Pictures

The Four Seasons \$ 5.5 million Distributor : Universal Pictures

History of the World Part 1 \$ 4.9 million Distributor: 20th Century - Fox

Japan Firm Sets U.S. Semiconductor Plant

By Thomas J. Lucck

SAN FRANCISCO - In what industry analysts are calling a hold move into the U.S. semiconductor market, a Japanese company, NEC Electronic U.S.A. Inc., has announced that it will build a huge semiconductor manufacturing plant in California.

NEC. a subsidiary of the Nip-pon Electric Co. of Tokyo, said Friday that it would invest \$100 million in the plant at Roseville, just north of Sacramento. It added

New York Times Service

has completed bere the draft of a

five-year agreement to maintain an

orderly international market in tin.

but U.S. acceptance of the pact re-

in the negotiations said Fridey that

the terms of the projected 6th In-

ternational Tin Agreement left

However, they said that the final

decision as to eventual U.S. adher-ence would be made in Washing-

The final draft was based on a

"compromise package" on key is-

sues that was authored by Peter Lai of Malaysia, chairman of the

International Tin Council formed

by the tin producer and consumer

nations, including the United

States, who are parties to the 5th

pact that expires on June 30, 1982.

jor interest in the tin trade accept-

ed the "package" as the basis for

an accord. However, the United

States, the world's largest tin im-

porter, objected that it did not

guarantee that financing would be

available for a projected "buffer stock" of 50,000 metric tons of tin

to be used to cushion price move-

The United States also is uneasy

Washington, D.C.

U.S. \$ 500,000,000

ments on the world tin market.

New Issue

June 29, 1981

Most of the nations with a ma-

them with "serious concerns."

U.S. officials who participated

mained doubtful.

ton after study

GENEVA - A U.N. conference

Tin Agreement Reached,

But U.S. Role in Doubt

that the plant would open in early 1983, and that it would reach a peak monthly production level of 75,000 to 80,000 semiconductors by 1986

The NEC plant is the first major semiconductor manufacturing facility to be owned by a Japanese company in this country. NEC, through three smaller Nippon Electric subsidiaries, has over the last 10 years gained a small share of the United States market hy selling Japanese-made semiconductors here. NEC is Japan's second-largest manufactuer of semi-

by the buffer stock manager.

Washington wanted more reli-

ed States accept the Lai proposals.

In response to the urgings, the

United States made a last-ditch of-

fer on the outstanding issues on Wednesday, but the Third World

producer nations rejected it, insist-

ing that it was too late to reopen

the Lai compromise package. Even if the United States refuses

to join, the agreement can still en-

ter into force because it can oper-

ate on a provisional basis for its

entire five years, once nations ac-

counting for 65 percent of world tin exports and 65 percent of tin

imports have accepted it. The draft

lists the United States as account-

ing for just under 27 percent of im-

conductors after the Matsushita Electric Co. "The company is already a pres-

ence in the American market, and the new plant is considered a logical step to better serve that market." said Andrea Gregg, an NEC spokesman in Sunnyvale, Calif. She added that all semiconductors produced at the new plant would be sold in this country, and that NEC hoped to gain \$200 million in United States sales and a 10-per-cent share of the semiconductor market in this country by 1986. The United States market is led by

Texas Instruments, National Semi-conductor Corp. and Intel Corp Mrs. Gregg said that the princi-pal product lines at the Roseville plant would include the most advanced, state-of the-art semiconductors, the tiny, fingernail-sized integrated circuits used in computabout the provisions for introducers, appliances and other electroning limits on tin exports by pro-ducer nations as a method of bolic equipment.

Two of the products to be produced by NEC, known as the 64-K stering sagging prices if they con-tinue to fall below an agreed level, Random Access Memory and the once 35,000 metric tons of tin have 12g-K Read Only Memory, are rebeen taken off the world market garded in the electronics industry as the most advanced semiconductors available and those expected ance placed on buffer stock purto experience the greatest demand chases for limiting price drops with exports controls to be in-voked only as a "last resort." over the next five years. These integrated circuits have twice the storage capacity — 64,000 and 128,000 pieces of data, respectively Secretary of State Alexander M. Haig Jr. was pressed by the foreign ministers of Malaysia, Thailand - as those currently on the marand Indonesia when they met in Manila last week to have the Unit-

ket. U.S. companies have begun initial marketing for similar chips. Industry analysts said that they had expected a Japanese company

to move semiconductor production facilities into this country, but they added that they were surprised by the scale of the NEC project. At the rate of production announced by NEC, the analysts said that the plant would rank among the coun-

Steve Fields, a spokesman for National Semiconductor, one of the largest domestic semiconductor produce a said that the NEC announcement "simply reaffirms what we have known for some time - that the Japanese are very. very dedicated to becoming the dominant force in the worldwide semiconductor market."

UAE Oil Output Cut, Official Tells Paper

ABU DHABI - A United Arab Emirates government official was quoted Sunday as saying his country's crude oil prodection had been cut by a total of 255,000 barrels a day during the past six months.

Petroleum Ministry Undersecre-lary Shaiba al-Hameli said the output was reduced by 175,000 barrels a day after last month's output cut decision by the Organization of Petroleum Exporting Countries, the newspaper Al-Fajr reported. This, plus a previous cutback of 80,000 barrels a day last January to conserve oil, brought the UAE's daily production level to 1.43 million barrels a day, he said.



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WORLD BANK

All of these notes having been placed, this an-

nouncement appears for purposes of record only.

Eurocurrency Credits Set Record in First Half of 1981

(Continued from Page 15) their trips to the market more or-

Officials say the central bank has been quietly playing a more active role in trying to induce borrowers to agree not to interfere with one another. "This is being done on a very informal basis," an official in Rome said. To say we've set up queuing system is going a bit far. I'd rather talk about concertation and consultation between the anthorities and the borrowers to avoid having a glut of Italian paper on the mar-

ket.
"Any system adopted needs to retain a fair degree of flexibility," the official said. "You never know how long it will take to complete an operation and that timing may not suit the needs of a particular borrower waiting to come to mar-

- T CLERENT HE An interagency report on the libit having ter subject is expected to be completed shortly, but the official said he doubted it would be made public. Meanwhile, Italian bankers say the current effort only affects opera-

tions of more than \$200 million. That having been said, as Dillon Read puts together a syndicate for a a \$500-million loan for Ferrovic dello Stato based on either Libor or the prime rate of U.S. banks. the Bank of Montreal is preparing an operation for up to \$400 million for the Italian utility ENEL based on the prime rate of either U.S. or

Canadian banks. Bankers report that Argentina's Yacimentos Petroliferos Fiscales has decided not to come to market for a planned \$150-million opera-

POSITION

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tion in the hopes that better terms can be had by letting some of the dust settle around Argentina's economic situation.

Malaysian Bids Bids are being sought by Malay-sia International Shipping Corp. for a \$140-million government gnaranteed loan (expected with a split margin of %- ½ point over Libor) and by Cyprus for a tax sparing loan from U.K. banks of up to \$80 million.

Morocco's Samir, a government guaranteed refinery, is seeking \$50 million for 12 years with a split

spread of % point over Libor for the first five years and % point over thereafter. The very favorable terms (the government itself is paying a split 11/4-11/4 points over Libor for an eight-year loan) are explained by the companion (\$46million equivalent) French and (\$27.5 million equivalent) Italian export credits that are very profita-

From the Far East, Reuters reports that the Philippine central bank has awarded a mandate to three banks to raise \$100 million for 121/2 years (part of a \$250-mil-

lion loan package cofinanced by the World Bank). Lloyds Bank International, Long Term Credit Bank of Japan and France's Credit Agricole are lead managers. A split rate of ¼ point over Libor for the first six years rising to % point thereafter are being offered.

Papua New Guinea has awarded a mandate to five banks to raise \$100 million for 10 years with interest set at 1/2 point over Libor for the first six years and % point over Libor thereafter, a spokesman for Barclays Asia, one of the lead

Eurobonds Dominated by Dollar Issues

(Continued from Page 15)

In the floating rate sector, Tu-bos de Acero de Mexico, which supplies pipeline to the state oil company Pemex, is seeking \$80 million for eight years, offering to pay % point above the London interbank rate and guaranteeing a minimum coupon of 9½ percent.

Also rumored in the wings is a 575-million floating rate note for Both issues are really disguised

syndicated loans. But because Mexico imposes a withholding tax on interest paid on loans and exempts interest paid on securities, FRNs are preferred by both borrower and lender.

Also reported to be in the wings is a \$30-million floater for Japan's

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\$50 million initially indicated. The coupon was set at 5% percent against an indicated 6-to-614 percent. The conversion price was set at 300 yen and the exchange rate fixed for the life of the issue at 224.75 yen to the dollar.

In the Deutsche mark sector, Renault sold 150 million DM of five-year notes at 99% bearing g a coupon of 10% perc but was quoted at 9914 as market operators geared for a renewed rise in rates to the 11-percent level.

The Mortgage Bank of Den-mark is offering 100 million guild-ers of 10-year bonds bearing a coupon of 12 percent. The issue price will be set July 1.

Eurofima, the European railway Long Term Credit Bank.

In the convertible market, Furukawa Electric's 15-year issue was

finance agency, is raising 20 billion
yen in the domestic Japanese market. The 12-year issue was priced

OUALIFICATIONS

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Gund textile higgi, with min, 3 yrs. sales exp.; Fr., Eng. + Betch; max. 46; extensive travel to France & N.K.

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7 to 15 yes, equ. in refining/petrochomical; plant startup equ.; Eug. + Fr.

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SENIOR EXECUTIVE POSITIONS

Published every Monday, this is a compilation of senior positions published in the INTERNATIONAL HERALD TRIBUNE and other selected publications. Comments concerning this feature can be addressed to Juanita Caspari in Paris.

LOCAT

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increased to \$60 million from the st 99.45 bearing a coupon of 81/2 percent to yield 8.593 percent. Dow Chemical is reported to be planning to raise 20 billion yen on the Japanese capital market.

Eurobond Yields*

(U.S. Dollers)					
International institu-					
tions Industrials, long term	14.42 % 13.85 %				
Industrials, medium term	14.59 %				
Canadian dollars, medi-	. 4.25 10				
um term	14.91 %				
French fr. medium term	17.29 %				

Unit of acc...long term 10.73 % Market Turnover Week Ended June 26

Total Dollar Equivalent 3,457.1 2,498.8 958.3 Cedel 6,145.3 5,624.3 521.0 Eurocl.

Source

Financial Times 18-6-81

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BANCO HISPANO AMERICANO

From the speech of the Chairman, Mr. Luis de Usera

Annual General Meeting held in Madrid on April 26th 1981

"Policy for shares and resources in the forthcoming period includes a scrip issue of one share for every ten held, during May; another, with the same characteristics, in 1982, and an issue of bonds convertible into shares of the Bank. The yield on our shares will be maintained within the possibilities offered by the new regulations on bank dividends".

"After auditing the books of Banco Hispano Americano and its subsidiary companies, Arthur Andersen is issuing 🧸 a favourable report on the Group's consolidated balance sheet, without any type of reserve or exception".

'The three main highlights of 1980 were: an increase in activity of all sectors of the Banco Hispano Americano Group, an increase of over 20% in profits, and great care in the adjustment and protection of assets".

"Whatever economic policy the Government adopts presupposes a profound conviction that we must all consciously assume our part in the general effort. The realities of the economy should not be a cause of negative pessimism, but rather for realizing the seriousness of the problems".

From the report of the Managing Director, Mr. Alejandro Albert

"The favourable trends in the Bank's results, with comparative data from the previous year are seen in the following figures:

	1980	1979	Increase (%)
Results of operations	(Millions of Pesetas)		
Gross operating income	. 18,240	14,542	25.0
Adjustments, special reserves and depreciation		6,002	50.6
Profit before taxation		8,012	20.0
Profit after taxation	6,818	5,707	19.5
Dividend	3,115	2,725	14.3
Assigned to Reserves		2, 9 82	24.2

"We have adopted the strategy within the Bank of taking specific actions for each segment of the market, and within the Group of developing new institutions that are more flexible and specialised, and less costly, so as to be able to act in all financial markets, and not only in the banking one".

"The announcements of preferential interest rates that for the past few weeks have been displayed in all bank offices, as a consequence of the Order freeing the financial system, are a sign of the transformation of the banking sector that obliges us to reconsider our position and adopt new lines of action for the future".

Financial operations in 1981

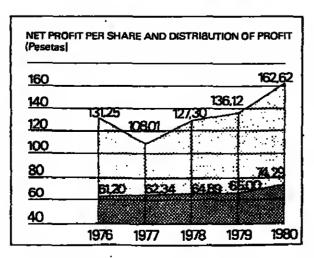
 Capital increase of one free share for every ten old ones, starting 5th May 1981. •Issue of Liquidity Bonds (bonos de tesorería) in the near future, convertible into shares of the bank.

Deposits.-Customers' Deposits increased by 121,582 million pesetas, a percentage growth of 18.2% on the basis of the average figures for the year.

Loans and Advances.-The growth in bills discounted and loans was 60,725 million pesetas, an increase of over 13% on the basis of average annual figures. The Bank has also contributed to financing the public and private sectors, with 14,576 million pesetas in Investment Notes. Furthermore, the Bank, has taken part in the underwriting and placing of loans amounting to 13,650 million pesetas, 30% over the 1979 figure.

Other companies of the Banco Hispano Americano Group.- During its first year, Banco Hispano Industrial has satisfactorily developed its activities as a wholesale merchant bank, obtaining excellent working profits. Banco Mercantil de Tarragona increased its profits by 88.5%. The volume of assets administered by Banif, S. A. amounts to 16,869 million pesetas, an increase of 38%. Corporación Financiera Hispamer has handled operations amounting to 14,510 million pesetas, 54% more than in 1979. The areas of real estata, specialised services and insurance had a satisfactory year.

Dividend and profit per share.- The total dividend per share is 74.29 pesetas, equivalent to 14.858% of the face value, and 9.29 pesetas higher than the amount paid in 1979. The yield in respect of dividend, on the price at the end of the year, was 7.27%.

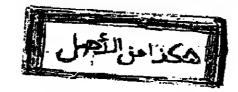


International Activitias. - The contribution of the international area to the year's profits increased by 40%, and amounted to almost one third of the total working profit. Foreign-Currency deposits increased by 33%. The Bank has parcipated in international loans amounting to 1,405 million dollars.

Services.- The Bank has mede a great effort to respond to campanies' demands for more and better services. During 1980, 54 new offices were opened in Spain, bringing the total number of operational branches up to 1,284. Some 80% of all operations are now handled by computer. The last seven offices to be included in the teleprocessing network will soon be linked up. The transfer of office work to the Administrative Cantres is almost completed. Newer means of payment have shown considerable progress, and a complete range of these facilities is offered (Diner's, Visa, 4B and Autocheques), while in the near future a network of automatic cash machines will be put into service in cooperation with our partners in "Sistema

4B, S. A.". Personnel.- Tha high professional qualities and constant dedication of our personnel has again been reflected in the progress and results obtained by the Bank in 1980.

Shares and Shareholders.-Over the last three years, an investment in the shares of Banco Hispano Americano has risen in value more rapidly than the average index of the Stock Exchange and Commercial Banks sector index. The high turnover of shares during the year (over 10% of shares in circulation) and the progressive widening of the shareholder base which includes over 200,000 shareholders, gives our shares a high degree



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June 29, 1981

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AT&T Redefining U.S. Phone System (Continued from Page 15)

production of regulated equipment from the manufacture of unregueither totally divest itself of its competitive holdings --- such as the

Proponents of forcing AT&T to Justice Department or others who contend that the enmperiuve problems can be solved by splitting or spinning off the company's stock
— say such internal AT&T moves indicate that the company can easily manage the more dramatic break up of the company advoated by critics.

Enormous Task

Bell System officials say there is no way to overestimate the enormity of just the task required by the FCC. Some outside observers say that the costs of the restructuring and the complex changes in AT&T depreciation and rate policies will cloud the company's

short-run earnings picture. Steven Chrust, a market analyst for Sanford C. Bernstein & Co., predicted last year that once "customer premises equipment is fully open to competition, AT&T will clearly have to reprice and recost these products.

"The problem is that any enurse the company pursues toward this end will require price increases in

to be resisted by state regulators,"

"Moreover, the issue will undoubtedly raise fears about crosssubsidization of services by AT&T --- specifically the raising of prices in regulated services so as to be able to cut prices — or raise mar-gins — in unregulated services. This issue is a very distasteful one to state regulators, and they are unlikely to deal with it in a totally objective manner," he wrote.

Thus," Mr. Chrust concluded, "we can't belp but be pessimistic about the effects on AT&T's earnings of the move to competitive markets, particularly during the transitional period when the bulk of the restructuring must take

Evolving Policy

These moves are the product of an evolution of public policy and AT&T thinking that has taken place over the past decade. During the late 1960s and early 1970s, the company was was able to use a slogan, "One Bell System That gan, "One Bell System man Works," stressing the company's integration as a model of efficien-

"Over a period of decades we have run the business in a way to look for economies of scale, and that has led us to integrate the remaining regulated services — lo-cal in particular — which are sure imagine," Mr. Tannenbaum said.

Mr. Chrust wrote,

Despite FCC decisions opening AT&T's historic monopoly over long-distance calling and facets of the equipment business to competition from companies as diverse and now as successful as MCI Communications and Rolm, the company publicly and privately decried competition as a threat to the stability of the U.S. telephone

Those cries from AT&T management are far less shrill today, even though AT&T antagonists ---the most vocal are the long-distance enmperitors --- cite an array of problems getting service and ac-cess to AT&T's local subscriber network.

Massive Challenge

But the introduction of competition, which has only slowly eroded AT&T's monopoly in those two areas, has also prompted AT&T and a growing chorus of policy makers to support a variety of pro-posals that would free AT&T from a 1956 consent decree with the government and permit the company to compete in the highly lucrative fields such as the data pro-cessing and home information

The FCC's decision, freeing AT&T from many of those limita-tions, is the first clear manifestanon of that policy. On the other hand, perhaps no previous FCC decision bas set off such a massive legal challenge. Virtually every real and potential AT&T competitor is involved in challenging that deci-

The arguments against AT&T restructuring go to the heart of what Mr. Tannenbaum says the plan is based on — a careful reconstruction of the company's programs designed to make sure that the enimpan; does not use money it receives from telephone custom-ers to help subsidize its new com-

petitive services. "AT&T bas a long history of annenmpetitive conduct and of using its monopoly revenues to cross-subsidize equipment and services encountering competition to the detriment of competitions," said A.G.W. Biddle, president of the Computer and Communications Industry Association, a trade group that is the lead appeals enurt challenger to FCC decision. "The smaller companies obviously enritled to meaningful safeguards against any AT&T intrusion now

into unregulated markets."

Mr. Tannenbaum said the barriers are adequate and that Bell is doing everything it can to make those lines clear. "We have to pro-vide enough separation so that there won't be cross subsidy or even the appearance of a cross subsidy." be said.

U.S. Newspapers See Future in Cable-TV

(Continued from Page 15) Muir & Co. Some people think they know, but nobody really knows. The newspaper companies want to be involved in the business so they'll be prepared."

Logical Uses

Moreover, cable offers logical applications for the hills of information gathered by papers. Doz-ens of dailies have already leased cable channels to beam news reports, and virtually every paper is lion, are expected to be beard from studying such affiliations.
"Newspaper eompanies see

cable empanies as a natural extension of their pages," said Paul Kagan, a cable analyst and appraiser. "They see cable as a new down a tree, or driving a truck."

Some early cable purchases were rooted in sheer fear. Ask Ralph Swett, president of Times Mirror Cable Television wby the parent of pied with the prospect of a nationsuch dailies as The Los Angeles Times and Newsday bought a cable operator back in 1969, and he replies, "The company didn't know about cable, and in those early days they were afraid cable might put the newspapers out of business. It was a defensive rea-

In time, bowever, Times Mirror concluded that papers and cable were likely to flourish side by side, but it found it liked the opportunities in cable. The company likes cable so much that it now beams service into 625,000 homes, ranking it seventh among all cable operators and the biggest presence among the newspaper groups.

Another early starter was the Newhouse Group, the privately held empire of 29 daily newspaand the Random House book publishers. It bought into the field in the late 1960s, and when its recent purchase of Vision Cable is completed, its subscriber base will catapult to 500,000, raising it to eighth among cable operators.

'Oar in the Water'

The Tribune Co., parent of The Chicago Tribune and The Daily News in New York, first bought a small cable system in Michigan in 1964. With its March acquisition of Douglas Communications, it doubled its connections, to 80,000. Now, it is bunting for more sys-tems to reach its target of 400,000 subscribers within three to five

"It's important if you're a newspaper company to have an oar in and to be able and willing to experiment with alternate delivery means for papers," said Steve Simmons, senior vice president of Tribune Company Cable

Among others, The New York Times Co. has acquired 55 cable franchises in southern New Jersey.

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and newspaper owners such as Multimedia and Harte-Hanks have been steadily widening their cable bases. Knight-Ridder Newspapers, the second-biggest newspaper company, and Dow Jones, publisher of The Wall Street Journal, came tantalizingly close to jointly buying UA-Columbia Cablevision before bowing to United Artists Theater Circuit and Rogers Cable Systems. Both publishers, which had made a bid of about \$265 mil-

Several powerful newspaper has shied away largely out of disway to publish without cutting dain for the steep prices. Systems have lately been fetching between Some early cable purchases were \$700 and \$1,000 a subscriber. Ganal newspaper to be transmitted via satellite. Similarly, the Washington Post Co. has recoiled from the

> gramming.
>
> Though it still owns no systems, Hearst Corp. is out pounding on doors. "I have on my desk right now seven acquisition possibili-ties," said Raymond Joslin, vice president and general manager of Hearst Cable. "We intend to ac-quire a system."

prices, but has dabbled in pro-

Network for Women

Last year, the company formed the Hearst Cable Communications division, which recently announced that, in conjunction with ABC, it would start a network for cable systems earmarked for women. The joint venture would also pers, the Conde Nast magazines drum up programming for other networks, including the visual arts network that ABC recently set up.

Hearst is banking that the sizzling asking prices will cool off. "I think that the industry is at a high bype point now," Mr. Joslin said.

Thus far, newspaper companies have attempted little integration of their cable and print properties, though most groups are exploring the idea of furnishing program-ming springing from their print holdings for cable networks. A number of major papers, for exam-ple, are involved in transmitting their contents via a bome computer system called CompuScrve. The Times Mirror, though, has

an electronic information delivery experiment set for next year in-volving both The Los Angeles Times and its cable franchise in southern California. And the Tribune Co. has made a bid for a cable franchise in the San Fernando Valley area, in which it would supply news over one channel from its Van Nuys Daily News.

Mr. Morton of John Muir estimates that perhaps 200 papers by now have leased cable channels to beam news. Murray Newspapers, which owns the Ledger and Times in Murray, Ky., in fact, bas created a service called National Cable-News to set up a cable channel for newspapers. Its expertise is based on the nearly two years that the Ledger and Times has leased a lo-

cal cable channel. "I felt if I didn't do it, somebody else was going to and I'd just have another competitor in the commu-nity," explained Walter Apperson, president of Murray Newspapers.

Leasing Operations

William James, president of the cable division of Capital Cities Communications, said that every time Capital Cities wins a franchise, it tries to lease a channel to the local paper. "It takes some of the burden of the local programming off your bands and it gives the local paper some publici-

Capital Cities moved into cable last fall, and had only 4,000 sub-

scribers until its recent purchase of Cablecom-General for \$139.2 million. It now has 250,000 sub-

A yet unsettled question is whether conflicts crop up wben there is common ownership of a newspaper and cable system in the same community. No federal regulations bar such setups, though several states — among them Min-nesota and Connecticut — forbid it. The Times Mirror is locked in a protracted court battle over a Connecticut order that it dispose of either two Connecticut cable fran-chises or The Hartford Courant.

Also up in the air is whether home information services will be subjected to regulation, as television and radio are but newspapers are not. There is further concern among newspaper groups about such prospects as electronic Yellow Pages from American Telephone & Telegraph that may si-phon off classified advertising.

High Rents in Hong Kong Anger Foreign Residents

HONG KONG - The soaring cost of living accommodation, on top of astronomical office rents, is threatening to force many foreign executives and businessmen from Hong Kong.

The American Chamber of Commerce, backed by British, Candaian, West German, Japanese, Swiss and other businesses, has taken up the cudgels against a government plan for a partial liftthe year. The legislation to free high-rent

apartments and houses from controls, if approved, "will force companies operating here to re-examine the viability of remaining and seriously inhibit companies from opening bere in future," Chamber president Alex Blum said.

Hong Kong's governor, Sir Mur-ray Maclehose disagreed and said rents were being pushed up by more foreign companies moving to

the British enlony.

But he added his administration would take the exodus warning from the business enumunity seri-

The governor said the proposed legislation touched only a small proportion (about 1,800 units) of the bousing in Hong Kong, but be added: "It affects people of ennsiderable influence which

could also affect employment." Mr. Blum said expairiates woo mained would have to spend up to 500,000 Hong Kong dollars (\$100,000) a year on domestic rent alone if the proposal became law.

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LONDON

Already rents in certain areas of the colony are among the highest in the world, and it is common for expatriate employees to receive more in rent allowance than in sal-

The normal rent for a three or four bedroom apartment of around 2,000 square feet (185 square meters) on Hong Kong island, where most foreigners live and work, is about 25,000 Hong Kong dollars a month.

In an attempt to check rent increases, the government two years ago brought in controls, limiting increases to 21 percent in two

A proposal expected to be debated by the Legislative Council next month would end rent control on accommodation with a rateable value of 80,000 Hong Kong dollars or already fetching a monthly rent of 25,000 dollars or more.

Mozambique to Seek Offshore Oil Bidding

The Associated Press MAPUTO, Mozambique --- Mozamoique plans to invite oil com-panies to bid for rights to prospect for oil offshore, and submit their proposals next year. Abdul Magid, secretary of state for coal and hydrocarbons, said Saturday.

Earlier in the day contracts were signed with the Geophysical Company of Norway and the Houston, Texas-based Western Geophysical Co. for seismic explorations on the continental shelf.

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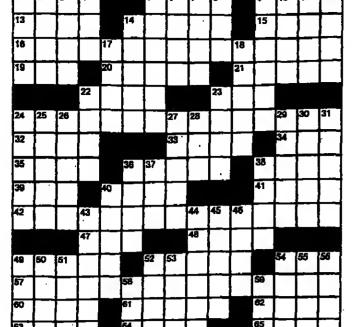
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CROSSWORD. By Eugene T. Maleska



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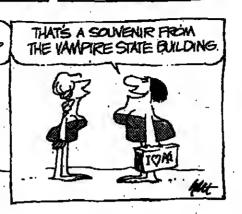
















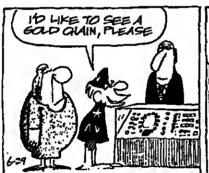




















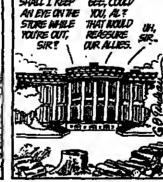












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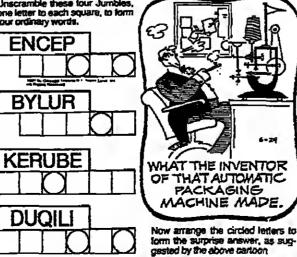
Western Bitrape: KHZ 15:345, 7,225, 6,060, 5,353, 3,980, 1,197, 792, 11,740, 9,760, 1,296 in the 197, 41.1, 49.5, 50.4,75.7, 251 (medium wave), 379 (medium wave), 25.5, 30.7 and 232 (medium wave) meter bands. Alledde East: KHz 15265, 11.915, 9,760, 7,200, 6,940, 1,260 in the 19,7,252,30,7, 41,7,49,7,228 meter bands. Scot Asia and Pecific: KHz 17.520, 17,740, 15,290, 11,760, 9,770, 26,000, 6,116 and 1,575 on the 14, 16.5, 19.6, 25,5.36.7, 11.5, 49.2, 190 meter bands. South Asia: KHz 2L540, 17,740, 15,205, 11,915, 9,740, 7,105 on the 13.9, 14.9, 19.7, 25.2, 30.7 and 42.2 meter bonds.

Airlon: KHz 26,040, 21,660, 17,670, 15,330, 11,915, 9,740 7,280, 6,125, 5,995, 2,990 on the 11.5, 13.0, 16.0, 19.4, 25.2, 38.3, 41.2, 49,50, 75.2 meter bands.

Oil and Money Conference. London, Sept. 28-29.

The second annual International Herald Tribune/Oil Daily conference on "Oil and Money in the Eighties," will take place September 28 and 29 in London. For further information, please contact the International Herald Tribune, Conference Dept. 181 Avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France. Telephone: 747-12-65. Telex: 612832.

JUMBLE THAT SCRAMBLED WORD GAME by Henri Arnold and Ben't a



(Answers tomorrow) Jumbles: TRYST SOAPY INVERT HAIRDQ What the midget said when someone asked him for a loan—SORRY, I'M SHORT

"Registered as a newspaper at the Post Office" "Printed in Great Britain"

DENNIS THE MENACE



"DO YOU THINK THERE'S A CONNECTION BETWEEN ALL THE BREAD WE'VE BEEN MISSING AND ALL THE PIGEONS THAT KEEP HANGING AROUND HERE ? *

BOOKS

THE COMFORT OF STRANGERS

By Ian McEwan. 127 pp. \$9.95. Simon & Schuster, 1230 Ave. of the Americas, New York 10022.

Reviewed by John Leonard

OLIN and Mary are on a European holiday in an unnamed city that is obviously Venice. Mary is divorced, the mother of two, and an out-of-work actress. Colin wanted once to be a singer, but has settled for something else. They haven't been liv-ing together, but they have been secing each other for seven years. We are

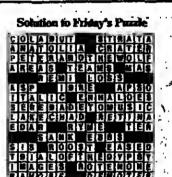
They knew each other as much as they knew themselves, and their intimacy, rather like too many suitcases, was a matter of perpetual concern; to-gether they moved slowly, chunsily, effecting lugabrious compromises, at-tending to delicate shifts of mood, repairing breaches."

One immediately expects the worst, and the worst is what one gets. Colin and Mary are calm and intelligent and share a joint of marijuana every evening on the balcony of their Venice hotel while wondering about the purpose of the barges they watch in the canal. It never occurs to them that barges are to Venice what trucks are to London. Barges bring in food and take out garbage. Perhaps Colin and Mary aren't so intelligent, after

Civilized Muzak

And their intimacy is such that they can, independently, pick out the same object to look at and know what the other is thinking. They are able to maintain radio silence. And when they do talk, their conversation assumes a comforting pattern, a kind of civilized Muzak. If the subject is the civilized Muzak. If the subject is the politics of sex, it will be Mary's opinion that "patriarchy was the most powerful single principle of organization shaping institutions, and individual lives," whereas Colin feels "that class dominance was more fundamental." tal." They are beautiful and tired. If Mary loves Colin, "though at not this particular moment," Colin is also dis-

Of course, Colin and Mary will leave their hotel after 9 o'clock one night, in search of something to eat, and lose their way. Never mind that it is almost impossible to get lost in Venice, and almost always possible to find ice cream and fruit; perhaps they need to get lost. And, of course, they will happen upon Robert, a citizen of the city, who wears a golden razor blade on a string around his neck, and he will lead them to a bar he happens to own and which seems to be homo-sexual. Never mind that it is a bad idea to follow men wearing razor blades to all-male bars serving broken breadsticks and listening, over and over again, to a song on the jukebox



that ends "ha-ha-ha"; this is a mod novel, in which it is ordained that telligent and beautiful people beh. stupidly because they aren't in tot with their demonic feelings.

Let us continue to "of course": 6; in and Mary, come the dawn, are ting on packing cases on a beach, hind them is a hospital; in front them, across the water, is an iskthat is a cometery. (This island re-exists, but if it didn't, Ian McEvwould have been obliged to invent They are still hungry, and they can't find anything to eat. They can even achieve a glass of water, to when they secure a table at one of cafes in the Piazza San Marco. Ne mind that there are always more bles than there are tourists in the Piza San Marco; this is a novel of e tential exacerbations, without a.d.

Robert, in a white suit, will, Colin and Mary famishing, and Colin and Mary famishing, and in them back to his apartment, would appear to be one level of caying Venetian palace, and gand Mary will meet Robert of Caroline, who can't walk it has therefore declines to descend Robert will punch Colin in the ach, and Mary will notice that Rehas been taking photographs of Cameras are almost as important Cameras are almost as importain "The Comfort of Strangers" as o teries and razor blades. We are to "There were cameras everywhere; pended like aquarium fish watery background of liber clothes." Never mind any of this: pathological novel, a soul around to be stolen.

I've revealed a lot of plot, but a of the fancy stuff. Robert had a large you will want to read about, Cap. makes a confession that is put terous, Colin and Mary leave the for their appointment in Samarra please don't drink the tea. Then Mann has already written this and "Death in Venice" was but, just as Colin and Mary achieve a glass of water. De la Venice" couldn't achieve salars between the colon and the colon and the colon and the colon achieve salars of water.

This much space has been in dered on McEwan because he is of the few English writers of English playwrights are another ter—who belong these days to Europe; he is a Samuel Beckett some genital organization. His in novel, The Cement Garden," was superb exploration of the Freudi "family romance" as a kind of cant balism. His short stories, in "Fir Love, Last Rites" and "In Betweene the Sheets," were creepy dreams, N reader will begin "The Comfort (Strangers, and fail to finish it; a blac) magician is at work.

And yet everything that is erotic also sick. Mary at the end will form theory, of course — men want to happy women seek to be punished — arl miss the point. Theory doesn't hur tion doubtless has its bloody exces this novel, by a writer of enormor talent is definitely diseased.

John Leonard is on the staff of Ti-New York Times.

By Robert Byrn

Position after 27 P-26

fully consolidated with the exchange ahead and threatening 30 . Retain

QBI with powerful pressure. Consecutive, 27 Feb.

B6 hoping to stir up dangerous con plications after 27 PxP7, 28 No. 1

QxP; 29 N-B5, QxP; 30 NxPch, K R2; 31 QxP, Q-N5; 32 QxQ, Rx(with an exchange-shead ending, bu Lobron kept up the tension with 28 Pt

Lobron made a last attempt to turn,

the tables with the rock sacrifice 3 at Q-R4, R-N5; 32 QxQP, the point being that after 32 QxRch; 3 K-R2, the capture with 33 QxB

would have cost Black the game,

34 NxPch, K-R3; 35 QxN permits

defense against mate. But Kavafet had foreseen the problem and destroyed the plan with 33 ... RxPch!; 34 PxR, QxPch; 35 QxQ.

NxQ, reaching a decisive exchang ahead end game.

After 39 . . . NxP, Lobron's situa

Kavalek's trouble-shooting

GAMBIT is almost always a A stem test, even if it is not entirely correct. The threats and positional pressure it generates may not in the final analysis fully compensate for the material sacrificed, but the defender must play from a cramped formation and this is conducive to error.

So every gambit must be taken scriously. The urge to scoff at one you believe to be unsound should be suppressed until after you have defeated it — during play a snear means loss of vital concentration.

A typical struggle against a gambit can be seen between international Master Eric Lobron of West Germany and Grandmaster Lubomir Kavalek of Reston, Va., in the 13th round of the International West German championship in Bochum.

The gambit Lobron ventured with 6 P-QN4?! should not be accepted by 6 . . . PxP?!; 7 PxP, NxP because after 8 B-QR3, N-QB3; 9 N-N5 (threatening to win the queen by 10 N-Q6ch, K-B1; 11 NxNPch), White has powerful pressure.

However, despite ample experimen-However, despite ample experimentation. White has never been able to justify his gambit after 6... NxP!; 7 PxN, PxP. Vasily Smyslov, 2 former world champion, continued with 8 P. Q4, PxN; 9 P-K3, N-K2; 10 N-K2, P-Q4; 11 PxP, NxP; 12 B-QR3, B-B1; 13 G-0, BxB; 14 RxB, B-Q2; 15 P-K4, N-K2; 16 NxP, achieving at least some compensation for the lost pawn against William Hartston at Hastings, 1972/1973 and perhaps White cannot 1972/1973 and perhaps White cannot expect more.

But White invariably goes for more with 8 N-N5?!, BxR; 9 Q-R4, sacrificing the exchange and two pawns, as Lobron did here.

Whereas 10 . . . P-QR4 had previously been used, Kavalek's new 10 . P-QR3!? had the ment of reducing White's choices. After 11 N-Q6ch, K-B1; 12 N-B3, B-K2; 13 OxNP, P-QR4, 14 Q-B5, it would not have been wise to improve the White queen's position by 14... P-N3?!-, 15 Q-K5, P-B3; 16 Q-B4 (16... P-KN4?; 17 NxP).

The exchange with 18 . . BxN; 19 PxB removed the cramping knight, but the QP that replaced it also made the development of the Black queenside difficult

Kavalek was willing to return the exchange with 21 . . . K-N2 because 22 BxR, QxB; 23 R-K1, R-QB1; 24 P-B5, FxP, 25 FxP, Q-Q4; 26 QxP, B-N2 would have yielded Black a tremendous initiative, but Lobron refused it. White could have recouped a pawn by 27 NxP, but had he done so, 27. R-QR2, 28 B-Q2 Q-R1, 29 Q-QB3, Q-Q4 would have left Black



Borg Beats Gerulaitis at Wimbledon As McEnroe Gains; Jaeger Is Ousted

By Neil Amdur

New York Times Service WIMBLEDON, England - Tiebreaker victories helped Bjorn ABorg achieve his 39th consecutive Wimbledon tennis triumph Saturviay and also assured Mirna Jauso-vec of a 6-4, 7-6 upset of Andrea faeger for a berth in the women's quarterfinais.

And while the crowd of 31,473 helped swell attendance at the All-England Club to a first-week record of 205,460, an unseeded 20year-old American, Tim Mayotte, foined Borg, John McEnroe and Jimmy Connors in the last eight of the men's singles by stopping Sandy Mayer, 6-3, 6-4, 7-6.

McEnroe, the No. 2 seed, adwanced by beating Stan Smith, a Tormer Wimbledon champion, 7-5,

"I feel comfortable with the peorde and the atmosphere," said Mayone, the National Collegiate

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Athletic Association champion from Stanford who turned pro last week and is making his Wirnbledon debut. "When you win a lot of matches in a row, you feel you can come through on the big

And Borg found himself locked in another challenging Center Court duel with his friend and long-time practice partner, Vitas Gerulaitis. The Swede took two tie-breaker playoffs in their 7-6, 7-7-6 fourth-round match. ln doing so, Borg demonstrated that he is sharpening his first serve and passing shots for a serious run at a sixth successive singles crown.

Borg's opponent in the quarterfinals will be Peter McNamara, the No. 12 seed, who also needed a of tie-breakers in stopping Borowiak of the United States. The scores were 7-6, 6-0, 7-6, and the unseeded Borowiak extended MeNamara to 8-6 in the

third-set playoff before the Austra-lian's punishing serve-and-volley perienced trouble Friday. From 6skills prevailed. Aside from the Jausover-Jaeger match and Virginia Ruzici's continuing three-set sagas on the back courts, the women's draw was a full before next week's predictable

storms. The top four seeds — Chris Evert Lloyd, Hana Mandlikova, Tracy Austin and Martina Navratilova - lost a total of only 13 games among them, and it will be big news if a Lloyd-Austin, Navratilova-Mandlikova semifinal round is not achieved.

The second week for the men is certain to focus on a possible Borg-Connors semifinal and a Borg-McEnroe rematch of last year's five-set final - if Connnrs does not intervene along the way.

Like Borg, Connors has not lost a set in four matches. He dropped serve only once Saturday during a 6-3, 6-2, 6-4 victory over Wojtek Fiebak of Poland.

Gerulaitis, the No. 16 seed, had lost 17 matches in a row to Borg. After a shaky, disappointing spring, Gerulaitis phoned Harry Hopman, the former Australian Davis Cup Captain and his onetime mentor, and flew him here from Florida to monitor his pre-

Wimbledon training.
But the level that separates Borg from Gerulaitis is often more mental than physical. On the opening point of the first-set tie-breaker, for example, Gerulaitis served a double fault, a deficit from which he never recovered in the 7-4

Borg says his philosophy in tie-breakers is "always play safe. Nev-er take chances." Maybe some players take chances and go for shots, he says, but be prefers to play safe points, put more pressure on opponents and "make them play the point."

Borg also knows that he plays the big points better than Geru-laitis. "Mayhe sometimes be gets nervous," Borg said. "He plays better when he's down, He goes for the shots. Those important points, I always win them."

A vivid example came when

Gerulaitis served at 4-5 and attacked. An overhead put Borg on the defensive, but the smash was not deep enough, leaving Borg with an option to chase an aggressive passing shot.

Borg raced for the ball and de-

livered a forehand cross-court cruncher. Gerulaitis saved two match points from 4-6, but Borg tonk the playoff and the match, 8 6, again passing his friend off a first volley that they probably have played thousands of times in prac-

MeEnroe's victory over Smith was less artistic. And MeEnroe was the first to admit that all the components of his game are not yet in place to win the tournament. Fortunately, McEnroe's draw, minus any seeds, leaves him with Johan Kriek in the quarters, and then the winner of the Mayotte-Rod Frawley match in the semis.

"I feel I'm hitting the ball a little better and returning better," ing well enough, and you can't win tournaments unless your serve is

The Bouncing Ball

Ruzici's 3-6, 6-4, 6-3 victory over Kathy Jordan seemed tame alongside her comebacks from two match points against Mimi Wikstedt and one match point against Nina Bohm in earlier rounds.

Not so in the Jaeger-Jausovec match. The crowds were five deep around Court Three when Jacger, the fifth seed, served at 4-5 in the opening set against ber 24-year-old ugoslav rival.

Jaeger saved one set point in the game but drove a backhand long to give Jausovec, the No. 10 seed, a second chance. In what proved to be an omen, Jaeger then overhit a two-banded backband that bounced slightly higher — perhaps waist-high instead of knee-high than she anticipated. On grass courts, no bounce is true enough for the two-handed player.

Jausovec has been as high as ninth in the women's computer rankings. Her number seems to fluctuate with her weight: the thinner she is, the better she moves and plays. At the moment, she is

trim and eager. Jaeger's normally impeccable backhand deserted ber in the tie-breaker, on the same field court lieve her good fortune. "In the past I had trouble with

perienced trouble Friday. From 6-

all, a backhand sailed wide and

then a backhand volley drifted off

court. Jausovec could hardly be-

big opponents," she said, eager to face Lloyd, a player she has never beaten, in the next round. "Now I concentrate on just playing the MEN'S SINGLES

Chris Evert Lloyd, U.S., def. Cloudle Pasquale Chris Evert Lloyd, U.S. def, Claudio Pasquole, Sethrerland, 4-8, 4-9; Hena Mandillevia, Carchestovakia, dei. Hobbs, 4-3, 4-2; Tracy Austin, U.S., dei. Barbara Patter, U.S., 4-4, 4-8; Martine Novembra, U.S. def, Belsy Mogelsan, U.S., 6-3, 4-3; Mima Jausovec, Yuaeslavia, def, Andrea Jasove, U.S., 4-4, 7-4; Wendy Turnbult, Australia, def, Pam Tespuarden, U.S., 4-4, 6-1; Pam Shriver, U.S., def, Ja Durte, Britain, 6-3, 6-4; Risici def, Kathy Jordan, U.S., 3-4, 6-4, 6-1; Risici def, Kathy Jordan, U.S., 3-4, 6-4, 6-1;



Bjorn Borg en route to victory over Vitas Gerulaitis.

Why the Bets Are Going on Page

last month in Lnuisville, Ky, as he

went to visit his father, Page knew

he would not be all right, and he understood why his father had

a balf years as a professional. He has won 16 fights, 15 by knockout,

including his second-round victory

over Alfredo Evangelista on the re-

cent Larry Holmes-Leon Spinks

Holmes predicts Page will be the

next beavyweight champion. Page

More and more, Page, who is 22 years old and from Muhammad

Ali's hometown, appears to be the

main rival of Gerry Cooney as heir

World Boxing Council champion,

has said he wants to take care of

Cooney before retiring in the next

"It's time for the older erop to

get out of the harvest," Page said.

agrees, as do many others.

tour, is "a year away."

at the age of 45.

New York Times Service NEW YORK - Greg Page had what he called a funny feeling as he headed toward the hospital. His father, Albert, had been there 30 days, but it was only a week earlier that his mother had told him why:

Page had suspected. He had noticed that his father was losing weight. "What's up?" he had

Pryor Retains WBA Title With **2d-Round TKO** The Associated Press

LAS VEGAS - Aaron Pryor defeated Lennox Blackmoore on a technical knockout Saturday, retaining his World Boxing Association junior welterweight title when referee stopped the bout 58 seconds into the second round.

Pryor was all over Blackmoore from the opening bell, dropping the challenger from Guyana twice in the opening round and once in the second before referee Mills

Pryor knocked Blackmoore to the canvas with a left book just seconds into the light. The No. 1ranked challenger got right back up — he took a mandatory eightcount - but was rocked by anoth-

Another hard left hook on the ropes and a left-right combination put Blackmoore down for the sec-ond time in the round, but he got aged to finish the round.

Blackmoore, who bled profusely from a cut over his right eye in the first round, got stung immediately after the second round began as Prvor was once again all over him. After Pryor backed the challenger against the ropes, two straight rights and another left put Blackmoore down again.

Pate Holds Lead Over Graham in Memphis Golf United Press International

MEMPHIS - Jerry Pate shot a 6-under-par 66 Saturday to take a one-stroke lead over Peter Jacobsen at the Memphis Golf Classic. Pate was 11-under-par 205 through three rounds over the 7,249-yard south course at Colonial Country

Jacobsen, who started the day at 2 under par, attacked the Colonial course and came up with an 8-under-par 64 to total 206.

Pate had three birdies on the front nine, and started the back nine with a pair of birdies on the par-5 10th hole and the par-4 11th hole. On the 218-yard par-3 12th hole he made a bogey, but came back with a 15-font birdie putt at 17 and a nine-font birdle putt on the final bole.

Floyd Leads in Canada

KITCHENER, Ontario (UPI) - Ray Floyd unleashed a brilliant round of seven birdies and no bogeys to take a three-stroke lead over David Graham Saturday after 54 holes in the Canadian International Golf Classic.

money-winner this season, carded a 7-under 65 for a three-round to-tal of 206 and was 10-under for the

On Friday, Daniel Talbot of Quebec shot a hole-in-one on the 17th green to finish the day in a three-way tie with Floyd and Don

Belgian Wins 4th Leg Of Tour de France

NARBONNE, France - Freddy Maertens of Belgium won the fourth stage of the Tour de France bicycle race Sunday, a 232-kilometer (145-mile) ride from Martigues. Gerrie Knetemann of the Nether-

On Saturday, Johan Van De Veide, also Dutch, won the third stage by finishing the 254-kilometer (164-mile) leg from Nice to Martigues in six hours and 32.27

in the first round and Page could nni see from ling range, where he likes to fight, be moved inside and battered Alexander. Page took the best shits of Stan

suddenly been giving him lessons in haw in deal with boxing pro-That night Page became the head of the family. His father died to ouit after five rounds.

"I'll never lose another fight, Dad," Page told him right before up. taking a couple of light left hooks, then made him miss with a bonk and, on his toes, moving Popular Prediction backward, countered with a right Page has not lost in his two and

He has shown speed, quickness,

apparent to Holmes, Holmes, the "I come from a big family." he year. But he does not plan to wait around for Page. He says that Page, once the country's top ama-

charge of Page's career. He has fans. If at least six million votes two fights left with King, but he were not received — roughly half says that promoter Lewis is like of the total for each of the last four laced on his first pair of gloves, team managers and baseball exce-- going for the title before I'm when be was 5, to box with his utives would select the starting brother Dennis, then 7 and now a

> "It was punishment any time I was hard-headed about anything," Page said. "Dennis used to beat me blue. I never liked fighting. In school, I used to talk my way out of fights."

a basketball career, he was taken by his father to LeRoy Edmerson's gym in Louisville. "Make him a fighter," Albert Page told Edmer-

T-shirt says, "Future World Cham-

On the back is, "A Tribute to

"I'll be all right." Albert Page in a winning streak, thumbed him replied. But on a Saturday night in the first round and Page could

Ward, a slugger from California, and stopped him April 11. It was the last fight his father saw. Then Page whipped Marty Monroe, a legitimate top-10 contender who had

And the way he stopped Evangelista was impressive. He set him that flonred Evangelista.

courage, punching power, especially with his right, and the ability to take a punch. He moves with the rbythm of a natural boxer. There is still some polishing to be done, but the only unanswered question seems to he whether he can go 15 rounds. He is fat and has a hunger for ice cream, fast foods and sodas. Against Evangelista, he weighed 235 pounds, nine more than what be was for Monroe.

said. "My father was a big man. I have an unele 5 foot 7 who weighs 310 pounds, another who's 6-4 and 250. But my wind is great and it isn't as if I can't get my punches off. Who can move like me?"

His mother, Alice, is now in light-heavyweight prospect.

When he was 14 and thinking of

He has, and the front of Page's

Kuhn Withholding Tabulation of Votes For All-Star Game

By Dave Anderson lew York Times Service

NEW YORK - Of all the allstar games, baseball's is the only one with traditional values. Pro fontball's all-star game, the Pro Bowl, is an afterthought that resembles touch tackle; pro basketball's dissolves into a one-onone pageant; hockey's should be scored by figure-skating judges. But for nearly 50 years, the baseball all-star game has had a sense of meaningful theater — Carl Hubbell's five consecutive strikeonts, Ted Williams' game-winning homer, Willie Mays' perennial presence.

Because the fans have selected the starting lineup since 1970, baseball's all-star game is considered to be their game.

Commissioner Bowie Kuhn often has referred to the all-star vote as "the largest nonpolitical election in the United States." He also has proclaimed that "the players make" the all-star game.

But ever since the baseball strike eopardized the July 14 game in Cleveland, the commissioner has snubbed both the fans and the

Before the strike that began more than two weeks ago, the commissinner's office released the first returns of voting in each league. Since then, nothing. Day by day, nearly 2.7 million ballots have been counted and stored at Bradford Computers' orange-brick building in Teaneck, N.J., but strangely, the tabulation bas re-

mained top secret. "We felt," Bob Wirz of the com-missioner's office said last week, that with the strike, releasing the all-star voting would not be pro-

Typical. Here was the commissioner's office's only way of keep-ing baseball players named in headlines and on TV and radio during the strike - an apparent coup for any baseball promoter and publicist. But with the commissioner's approval, baseball's promoters and publicists chose to suppress the all-star voting returns a snub of the fans whose game it's supposed to he, a snub of the players who "make" it.

Kuhn and his lackeys, they think of themselves as baseball, said Marvin Miller, the players' leader. They never informed the Players Association of their thinking on the all-star situation. It's a cozy little promotion that the commissioner and Gillette has."

A Different Year

According to a source familiar with the ali-star game planning, the commissioner's office also is considering another snub of the family. And family is what counts years — all the fans' votes this year with him. It was his father who would be discarded and a panel of

Even though fewer than 2.7 million all-star votes have arrived so far, a total of six million by Wednesday's mailing deadline is possible. In other years, at least half the votes poured in in the last few days.

This year, of course, is a different year - a year when the commissioner's office chose not to promote its own promotion. As the host, the Cleveland Indians al-ready had sold nearly 78,000 tickets for what would be a record allstar game crowd if the game is played. But the Indians' president, Gabe Paul, has been baffled by the suppression of the all-star returns.

"The more you put it in the paper." Paul said, "the more people will vnte

Although the position-by-position returns have remained classified, George Breit of the Kansas City Royals is understood to be the leading individual vote-getter so far - a tribute to his .390 average last season rather than his struggling .323 average this season. Buddy Bell of the Texas Rangers was having the best season of any American League third baseman before the strike — nine bomers, 42 runs batted in, .293 average. But as soon as most fans see Breti's familiar name on the ballot they punch it automatically.

tn one man's opinion, these players should be on the starting teams this year:

National League — Pete Rose. Phillies, first base; Manny Trillo, Phillies, second base: David Cnncepcion, Reds. shortstop; Mike Schmidt, Phillies, third base; Gary Carter, Expos. catcher; George Foster, Reds, outfielder, Andre Dawson, Expos, outfielder: Tim Raines, Expos, cutfielder.

American League - Rod Carew, Angels, first base; Willie Randnlph, Yankees, second base; Bill Almon, White Sox, shortstop; Buddy Bell, Rangers, third base; Carlton Fisk, White Sox, catcher; Dwight Evans, Red Sox, outfielder: Tnny Armas, A's, outfielder; Ken Singleton, Orioles, outfielder.

For the all-star game to be played two weeks from Tuesday night as scheduled, the season apparently would have to be resumed no later than the previous week-

"To play the game on time, the strike probably would have to be over sometime this coming week." Miller said. "The players already have said across the bargaining table that they need two and a half days of workouts for each week

In Kuhn's Hands

According to that formula, if the strike were to be settled late this week, the season would resume the following Friday.

Another all-star date is possible. July 30, if the season has resumed by then. That was established as the contingency date if the game were rained out both July 14 and July 15. Only one regular-season game is scheduled that day, Montreal at San Francisco; if the allstar game needed the date, that game would be moved.

"But only Bowie Kuhn could establish a July 30 date," Paul said. "the all-star game is in his hands." Judging by the way the commis-

sinner has handled this year's allstar game, it would be better off in the hands of the Venus de Milo.

Strike 17 Days Old; No Talks Scheduled

The Associated Press NEW YORK - The baseball players' strike stretched through a 17th day Sunday with 14 more canceled games pushing the total since the walkout began to 211.

No negotiations were scheduled, and barring an immediate settle-ment the United States is certain to he without baseball for the July 4th weekend, traditionally one of the biggest gate attractions of the

In Philadelphia, the Major League Umpires Association was in go back to court Monday, seeking tn reverse a federal judge's ruling to withhold an injunction that would have blocked management's collection of its \$50 million strike insurance. They argue that the payoff of \$100,000 per canceled game reduces management's incentive to end the strike.



Tom Byers (37) raises his arms in victory as he crosses the finish line to win the 1,500-meter race in Oslo's Bislett Games ahead of Steve Ovett (5), Steve Scott (32) and Jose Gonzalez.

Byers Surprises Ovett in 1,500 at Oslo

OSLO - Tom Byers, a 25-year-old American,

upset the 1,500-meter world record holder, Steve Ovett, in the Bislett Games here after Ovett made what he said later was "a big mistake." Byers, an Ohio State graduate who lives in Eu-

gene, Ore., stunned the strong international field to win in 3 minutes 39.01 seconds, well outside Ovett's world mark of 3:31.36. Steve Scott of the United States was third (3:39.58) and Jose Gonzalez of Spain fourth (3:39.59).

Ovett, the Briton who was the 800-meter gold and 1,500-meter silver medalist at Moscow, said that "we were all totally misled by the official calling out the lap times ... He was so far ahead that at one time I thought he'd dropped ont."

The official convinced us we were running a fast time and we believed him. He called ont 1:51 (Byers' leading time at the 800-meter mark, which was on world-record schedule) and 1 wondered why it was so easy. . . I thought. Either that guy is running so fast that he is going to die, or I'm going to get beaten."

"We were so byped up for a fast time that we lost all perspective.

Byers nearly stumbled and fell from exhaustion as he crossed the finish line, and it appeared to take some time before he realized what he bad just done. After a victory lap, however, he had gathered himself: "It's a dream, I can't helieve it. As long as I live it will never happen again."

Friday night's defeat was only the third loss for Ovett at 1,500 meters or a mile in four years. Only Sebastian Coe - in the 1980 Olympic final - and Scott have beaten him.

ver coveraged a law ice Com and Many red on McEwzs Mima Jausovec jumps for joy after upsetting Andrea Jaeger. Shoets, water and and the regarder

Buchholz Told McEnroe: 'Careful, They're Upset'

The All-England Club was prepared to default John McEnroe from the Wimbledon tennis championships last week for an opening-day outburst during which he broke his racket in half, called a linesman "an incompetent fool" and swore at the tourna-

Earl (Butch) Buchholz, the executive director of the Association of Tennis Professionals, said Saturday that the tournament rules committee opted for an immediate \$1,500 fine and threat of a future suspension and \$10,000 fine in order in conform to current Grand Prix rules for code-ofconduct violations.

"They were prepared to throw the book at John," Buchholz said. "The rules were not strong enough to take care of what Wimbledon wanted to accomplish. They would have put on much more severe penalties if the rules could have allowed it."

Last Tuesday, the day after MeEnroe's tempter tantrums, Buch-holz said he was informed that members of the club, including chairman Sir Brian Barnett, were very upset and that "Wimbledon was going to be briced in do something.."

After meeting with some club officials, Buchholz said: "I told John, "Be careful, they're really upset."

"Buchholz said the code of conduct would be toughened next year, a move endorsed Saturday by Fred Hoyles, the tournament referee. Curtrent rules provide a warning, a loss of two penalty points and loss of game before a player is defaulted for conduct violations. The same steps also exist for delay-of-game violations; thus, a player conceivably could commit eight violations' - four for conduct and four for delay of game before actually being defaulted from a match.

McEnroe Calls Threats 'Malarky'

Earlier in the week, McEnroe termed the tournament committee's warning of a suspension and further fine as "malarky," His father, John P. McEnroe Sr., a New York lawyer, branded the committee's threats as "outrageous." Many Grand Prix tournament directors feel they cannot default top players and still survive financially. So rules are bent by umpires, giving

Said Buchholz: "Everyone is scared a player is going to he defaulted on national television with fans in the stands, and then you have no Everyone's afraid of these [top players]." Tom Gullikson said after this opening-day episode with McEnroe. "All it would take is one default

to put them in line. They're abusing the rules. If it was the 120th player in the world they would have defaulted him."

the stars considerably more leeway in their behavior.

in the professional summer football organization, the American Football Association.

One of its 10 Americans, has dismissed one of

its linemen after discovering he was an impostor. Another of the teams, the Caro-lina Chargers of Charlotte, has virtually disintegrated in a fit of tempers over low pay and a lack of

.The Orlando lineman who tity said he did not believe he would have been considered for the team on his own So, said Robert Lee Johnson, a 280-pound former center at Tem-

ple University, he gave the coaches of the Orlando Americans the impression that he was Randy Johnson, who had played guard in the National Football League for three years after making All-American

> **Always Suspicious** This was something I looked at

et Georgia.

CHEROSCO STORES TO THE

and never had the shot or opportu-nity," Robert Johnson said. "And here was my chance to do it. Here's a guy that I know has the same name and same name and basically, the

suspicious of the impostor almost immediately because he was so heavy. They sent to Georgia for a photograh of Randy Johnson. But they still were not sure of themselves until Robert Lee Johnson

admitted the deception. The man he was impersonating, who is now working as a manage-ment trainee at an industrial supply firm in Rome, Ga., said he

In Charlotte, Billy Kilmer, the former Washington Redskins quarterback who is the commis-

Transactions BASEBALL National League CINCINNATI—Signed John McNamara, man BASKETBALL

remond Basketball Association INCIANA—Signed Al Lestie, quard; and Purvis Miller, lorward. PHOENIX-Signed Larry Nance. POOTBALL iguttonoi Football Leesve BUFFALO—Signed Byron Franklin, wide re

HOCKEY New YORK ISLANDERS—Extended the con-lect of all Arbour, head coach, to a lifetime opressant that will make tikn vice president in

calver, to a series of three one-year confracts.
PITTSBURGH—Bigned Donald Quartes. Hee

The Tribulations of Summer Football sioner of the American Fontball Association, tried to patch things up between the owners of the Ca-

rolina Chargers and the players.

But the last talks broke down last Thursday night with an out-burst of foul language and wild punches. That was it for Kilmer.

Last Straw for Kilmer

"Carolina is out of the AFA," he said. "They have no team. Completely, absolutely dead. As long as stay as commissioner, there will never he a team in Charlotte

again. For the three years the team has been in Charlotte, home games have usually drawn fewer than

4,000 spectators. Three weeks into the season this year, the players had each received one paycheck for \$65. The next week, after they had voted to disband, they each got another check for \$60.

The coach, Mike Faulkiner, who quit last week, said the owners owed him \$1,875 in back pay. An atheletic supply company is trying to collect \$3,900 for uniforms, and two other teams in the league contend that the Chargers owe them a total of \$10,400. Last week, the teams' telephones were disconnect-

Floyd, the second-leading PGA

Resters lands kept the overall lead.

We've come along step by step. and we've run out of steps." But he is in no rush. He does not want "to make the same mistake Spinks did ready.' **Too Close for Comfort** He might be closer than he wants to be. The World Boxing Association executive board plans to strip Mike Weaver of the title on Tuesday for agreeing to fight Cooney, the No. I contender, in-stead of James Tillis, the No. 3.

The WBA may order a fight for the vacant title between Tillis and Page, who is ranked fourth (Spinks No. 2 before being knocked out by Holmes). Page would accept a Tillis fight, but he knows that virtually everyone in boxing considers Holmes the champion. Hulmes is not Page's target. Cooney is. There was a time when Page's words sounded as if they

had been written by Ali, the three-

time champion, and he even

clowned in the ring like him. But

Page has toned down the rbetoric.

He used to call Cooney a onearmed fighter. Now he says he cannot comment "on the grounds I might incriminate myself. "Cooney and Page is going to be a major, major fight," said Butch Lewis, the promoter who bandled Page's fights until Albert Page signed a three-bout deal with Don King last month. "But Cooney's people don't know what Gerry can do. They know he can punch. But they don't know what he can do

when he's in there with a young buck who can fight back." 'Live Bodies'

Page, by contrast, bas been fighting what the regulars in the gym call "live bodies." He has outpointed George Chaplin, the de-lensive specialist. When Larry Alexander, a dangerous club fighter

Shergar Breezes In Irish Sweeps From Agency Dispatches DUBLIN — Shergar, owned by the Aga Khan and ridden by Les-

ter Piggott, won the \$234,150 Irish

Sweeps Derby at The Curragh Sat-urday by 4½ lengths over Cut Above. Dance Bid was third. Shergar, whose starting odds of 1-3 were the shortest in the race's history, had romped to a 10-length victory in the June 3 Epsom Derby. Piggott held a comfortable lead going into the stretch of Saturday's 11/2-mile race and hardly used his

whip as Shergar drew steadily elear

of the field and won easing up.

In Toronto, Regent Miss, a 171-I shot, scored a stunning 11/2-length victory at Woodbine Saturday, winning the \$137,520 Canadian Oaks, the premier race in Canada for 3-year-old fillies. The winner returned \$345.80, \$97.50 and \$27.30 for \$2 wagered. Holiday Regent was second and Solar Command, an 82-1 shot, was third.

Language

Out in Left Field

By William Safire

NEW YORK — When a professor of atmospheric science predicted that recent changes in sun's activity foretold a dry spell of several years in the North east, another expert, Robert Harnack, a meteorologist at Rutgers, called that forecast "completely out of left field."

Where is "left field"? How did that area on the baseball field bebaseball field become the meta-phoric epitome of far-outedness? To come "from out of left field" is to be rooted in the ridiculous, crack-brained far-

Safire brained, far-fetched; to "be out in left field" is, according to American Speech magazine in 1961, to be disoriented, out of contact with reality."

Members of the Abner Doubleday Lodge of the Lexicographic Irregulars lobbed in these ideas:

• The U.S. ambassador to the European office of the United Nations, Gerald Helman, writes from Geneva: "Right field was thought of as the most difficult to play because it was the 'sun field,' and required the fielder to have a strong arm for the long throw to third. As a consequence, the good-hitting, poor-fielding players were put in

On the other hand: "The power of a batter in baseball or softball is to his/her 'pull,' or op-posite field," posits Thomas Carter of Dayton. "Since some 90 percent of the population is right-handed. this means that many more long hits can be expected to left field. Therefore, the leftfielder will usually play farther back than the other outfielders. This then leads to the linking of 'left field' to a person, thing, or idea that is far-out."

"Left field is about as far as one can get from the desirable seats," suggests Morton Brodsky of Lancaster, Pa. The home team's bench is generally, if not always, along the first-base line. This makes line preference for hometown fans (!) from home plate to

was nothing out there but a fence." • "Imagine some right-hander of yesteryear (a preponderance of pioneer pitchers were right-hand-ed)," says Jerry Oster of New York City, "with a big sidearm delivery such that the ball, especially to a right-handed batter, seemed to come out of left field."

 John Algeo, editor of American Speech magazine, assumed it had at least a pseudo-baseball origin and appeared early in psychiatric slang: "The explanation that the left field was far off from the home base overlant the feet from the control of the feet of the f home base overlooks the fact that the right field is equally far from the home base and the center field is even farther. Why then left field instead of right field or center

Algeo took a hefty cut: "My guess (and it is no more than a guess) is that the expression is a metaphor referring to a baseball field, but was never actually a baseball term. Probably it was coined by someone who watched baseball but was not a player.

"To be in the outfield is to be

far out. However, the expression out in the outfield is uncurphonious, redundant and too general; it doesn't make a snappy remark. Center and right both have highly positive connotations that conflict with the sense of isolation that the term was wanted for. Center suggests all the virtues of moderation and the golden mean. Right suggests correctness, dexterity and so on (we don't have to go into the political associations). Left is certainly the best word for associations — lefties are a minority, they are sinister (etymologically at least) and (at least by pun) they get

Algeo concurs with Carter's observation that balls hit to left field are usually hit harder, causing the fielder to play deeper: "Since the leftfielder is farther removed from the center of action in the infield, his position becomes a metaphor

• Mrs. Melvin Gollub of Dunkirk, Md., disagrees with everybody; it is her experience that "one rarely hits to left field. The outfielder has little to do; hence, he is lonely. When our company plays softball, my son sends me out to play left field so I can't get into too first base. (2) from home plate to third base. (3) right field, (4) left tic view flies in the face of all

Satire from Aesop to Perelman

By Herbert Mitgang New York Times Ser



EW YORK —
"Satire is what closes Saturday night," George S Kaufman said about the theater in the 1930s, a wisecrack that hasn't quite held up. But the line

makes you think twice about the aims of that most useful weapon of words, Every form of satire, from the barb to the bombshell, is having a long literary run at the New York Public Library. Featuring a strong cast of satirists from Aesop to S.J. Perelman, a show called "Mirror the World: A Survey

of Satire," has just opened in the Berg collec-tion and will be on view for seven months. The show highlights essays, poems, parodies and drawings of 86 satirists from the early Greek and Roman poets through the early Greek and Roman poets inrough the English classicists and Victorians, on into the 20th century. "I assembled this exhibition to console myself," said Lola Szladits, curator of the Berg Collection. "I wanted to show that there have always been writers of great genius who see our follies with crystal clarity and want to show us how to set things

straight." Does satire really hold up a mirror to mankind? Jonathan Swift (1677-1745) provided this answer in 1794: "Satire is a sort of glass. wherein beholders do generally discover ev-

erybody's face but their own." This satirical stuff has been going on least since Aesop, who is traditionally said to have lived in the sixth-century B.C., but whose satires of human foibles in animal form probably go back to Egypt in the 14th

You could also browse for an answer in Horace (65-8 B.C.) — "A satire is a tart and carping kind of verse" — and not be too far off. Or you could pick up a phrase from Juvenal (A.D. 60?-140): "Difficile est satiram non scribere" (It is difficult not to write sat-

Every age has its own need for satirists, said Szladits, and quick as a metaphor she came up with a suitable line from James Sutherland, a modern British writer: motives that lead to satire are varied, but there is one motive that may almost be called a constant - the satirist is oearly always a man who is abnormally sensitive to the gap between what might be and what is."

The most easily identifiable forms of satire — in verse or prose — are the epigram, the lampoon, the parody, the exaggeration, the imitation. Satirists often imitated other satirities. ists, not necessarily the sincerest form of flat-

Yet malice never was his aim; He lashed the vice but spared the name. No individual could resent, Where thousands equally were meant. His satire points at no defect But what all mortals may correct; For he abhorred that senseless tribe Who call it humor when they gibe.

Alexander Pope (1688-1744) came before the public innocently enough with his "Pastorals," but then his teeth, or at least his claws, began to show in "The Essay on Criticism." In "The Rape of the Lock" while the claws are scarcely visible, there is, the descriptive card in the case notes, "the fascinating and dangerous play of a quite remarkable kitten." From the pen of Pope:

Men, some to Business, some to Pleasure take, But Woman is, at heart, a Rake.
Men, some to Quiet, some to public Strife,
But every Lady would be Queen for Life.

Samuel Johnson (1709-84) brought his own powerful experiences to life with observations about poverty and the class system.

All crimes are safe, but hated poverty. This, only this, the rigid law pursues,
This, only this, provokes the snarling muse. The sober trader at a tatter'd cloak, Wakes from his dream, and labours for a joke.

George Bernard Shaw (1856-1950) had a good deal to say about social and political outrages in his plays, but his prefaces say what his characters do not say quite so binnily. He calls the preface to "Major Barbara" the "Gospel of St. Andrew Undershaft," and it includes such constraints at their it includes such comments as this:

"In the millionaire Undershaft I have represented a man who has become intellectually and spiritually as well as practically conscious of the irresistible natural truth which we all abhor and repudiate - to wit, that the greatest of our evils, and the worst of crimes, is poverty, and that our first duty, to which every other consideration should be sacrificed, is not to be poor. . . There exists a police force whose real business is to force the poor man to see his children starve whilst the money that might feed and clothe

them goes to overfeed pet dogs."

Evelyn Waugh (1903-66), in "Scott-King's Modern Europe," parodies the old school tie: "Granchester is not the most illustrious of English public schools but it is, or, as Scott-King would maintain, was, entirely respectable; it plays an annual cricket match at Lord's; it numbers a dozen famous men among its old boys, who, in general, declare without apology: I was at Granchester—unlike the sons of lesser places who are apt to say: 'As a matter of fact I was at a place called . . . You see at the time my father was . . "

and the wartime poem "Heydrich" by A.P. Herbert (1890-1971).

The Auden contains these classic lines:

He was found by the Bureau of Statistics to be One against whom there was no official complaint,

And all the reports on his conduct agree
That, in the modern sense of an old-fashioned
word, he was a saint,
For in everything he did he served the Greater

Had anything been wrong, we should certainly

And A.P. Herbert proves you can saturize even one of Hitler's henchmen:

I am so sorry Heydrich has been shot. I liked the little reptile quite a lot. No, "like" is not the word. I loved the swine —

As I must love all enemies of mine.

Don't shoot beloved Himmler through the

Give him a chance, old chap. Shoot low The American poet Ogden Nash (1902-71) has some fun in "Four Prominent So-and-

So's," which begins:

I'm an autocratic figure in these democratic I'm a dandy demonstration of hereditary

traits. . . My position in the structure of society I owe To the qualities my parents beque

long ago.

The last word should go to S.J. Perelman (1904-79), whose manuscripts were recently acquired by the Berg Collection and are being exhibited for the first time in "Mirror the World." Here's the opening of "Revulsion in the Present". sion in the Desert": "The doors of the 'D' train slid shut, and

as I dropped into a seat and, exhaling, looked up across the aisle, the whole aviary in my head burst into song. She was a living doll and no mistake — the blue-black bang, the wise cheekbones, olive-flushed, that betrayed the Cherokee stain on her Mid-western escutcheon, and the mouth whose only fault, in the novelist's carping phrase, was that the lower lip was a trifle too voluptuous. Suddenly, a pair of lynx eyes, gray and exquisitely slanting, lifted from the page and fixed on me a long, intent scrutiny that set my knees trembling like jellied consomme. Could she in her telepathic feminine way have divined my adoration? . . . Before I could act, the issue decided itself. The train ground to a stop in the 34th Street station. and as she arose and stowed the book in her handbag, I saw that it was Ovid's 'Art of

Canadian Embassy Wives PEOPLE: Honored for Tehran Aid

Two wives of former officials at the Canadian Embassy in Tehran have been honored by the Canadian government for the three months they spent caring for six U.S. diplomats who had escaped the Nov. 4, 1979, seizure of the U.S. Embassy and taken refuge in the Canadians' homes. Patricia Taylor, wife of Kenneth Taylor, the former Canadian ambassador in Tehran and now consul general in New York, and Zena Sheardown, wife of John Sheardown, then the immigration officer at the embassy in Tehran, were given the Order of Canada, the country's highest civilian award. A year ago, Taylor, Sheardown and six other men received the Order of Canada for their part in balance of the part i their part in helping the Americans escape from Tehran in January, 1980, just before the Canadian mission was closed. Sheardown noted that while he and the other officials want to work day. officials went to work every day.

"the wives had a 24-hour responsibility" while the Americans were in hiding.

Mark Rudd, a leader of the student revolt at New York's Columbia University in the late 1960s, has turned up in Albuquerque, N.M., as a teacher at the Techni-cal-Vocational Institute. Rudd, 34, teaches English, mathematics and reading at the institute, where he avoids the sort of publicity that kept him on front pages in his re-bellious years. When he was chair-man of the Students for a Democratic Society at Columbia, Ruddled the 1968 takeover of Hamilton. Hall at the university. He was charged with criminal trespass, criminal solicitation, unlawful assembly and obstructing govern-ment administration. Similar misdemeanor charges were lodged against him in 1969 after demonstrations in Chicago. After posting bond, he dropped out of sight and did not turn up again in public un-til 1977, when he surrendered to authorities, first in New York and then in Chicago. He was fined \$2,000 and put on probation for two years. As a teacher, he earns \$15,280 a year.

Bangkok's epicurean scrounger has struck again, notching his 40th trip behind bars after refusing to pay for a lavish meal. The Englishlanguage Bangkok Post reported that Pongern Kraturnek returned to the city's fashionable restaurant circuit after an eight-month absence to down a \$35 Japanese meal at a hotel restaurant and then po-

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litely decline to accept the check. He waited for police officers called in by the restaurant. Pongern, who is something of a media celebrity.
has eaten without paying at more
than 100 Bangkok restaurants. Waiters rarely suspect problems since he invariably acts sophisticated and friendly. The Post said it was not certain whether the hotel restaurant would press charges.

A probate judge in Houston has ruled that actress Terry Moore, who claims she secretly married thoward Hughes and bore him a fact that to inherit part of the billionaire's estate. Judge Pat Gregory said Miss Moore, 52, would be excluded from a trial to determine said Miss Moore, 52, would be excluded from a trial to determine the legal heir to Hughes' vast fortune. Miss Moore's attorney, Art som Leeds, said an appeal probably would be filed. The motion to exclude the actress — who was nominated for an Oscar for her role in "Come Back, Little Sheba" and "for was known in her heyday as "the irrd eternal startet" — was requested of by Wayne Fisher, who represents the Avis Hughes McIntyre and the cate atte of Rash Hughes, those being erthe children of the wife of Rupert use Hughes, Howard Hughes' uncle. Miss Moore, whose other films in ave clude "Mighty Joe Young" and em clude "Mighty Joe Young" and arn "King of the Khyber Rifles," said est she had married Hughes in 1949 on a ship sailing in international waters. She said the marriage had been kept secret in order to protect her movie image. In the early 1950s, she said, she bore a daughter in a Munich hospital, but the infant died of an infection a short time later. She has been married and divorced at least two other times. Hughes died in 1976.

Soviet dissident Vladimir K. Bu-kovsky and U.S. civil-rights leader Bayard Russin will share the 1981 man-rights award of the American Federation of Teachers. Bukovsky, a writer, spent more than 11 years in confinement in Soviet prisons. He was allowed to emmigrate in 1976 and now lives in England, where he is studying at Cambridge University. Rustin, now board chairman of the A. Philip Randolph Institute, was deputy di-rector of the 1963 civil-rights march on Washington. The federation, which announced the recipients in Washington, said the award would be presented July 7 during the group's convention in Detroit.

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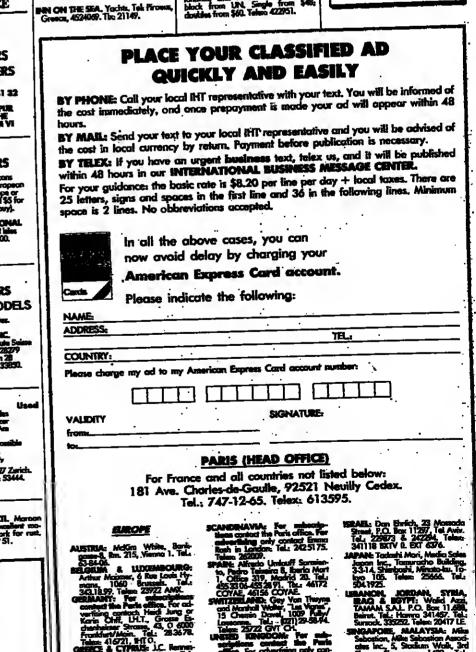
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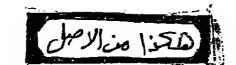
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